FINANCIAL TIMES

No. 26,966 Tuesday May 11 1976 **10p

CONTINENTAL SELLING PRICES: AUSTRIA Sch.15; BELGIUM Fr.20; DENMARK Kr.2.75; FRANCE Fr.2.20; GERMANY DM1.70; ITALY L.300; NETHERLANDS Fl.1.50; NORWAY Kr.2.75; PORTUGAL Esc.15.00; SPAIN Pts.30; SWEDEN Kr.2.50; SWITZERLAND Fr.1.50.

NEWS SUMMARY

GENERAL

Prentice given another chance

Mr. Reg Prentice, Minister for Overseas Development, has won another round in his bid to overturn the decision of his Newham N.E. constituency party to unseat him.

The Labour Party Organisation Committee, meeting last, declared void the annual general meeting of the local party in February and ordered that it should be reconvened. All delegates' credentials are to be checked to make sure they are eligible to vote.

The procedure is to be supervised "at every stage and in every particular" by the party's regional organiser. Meanwhile, the committee has ruled that the Newham party may function normally, except that all matters relating to the Parliamentary candidacy have been frozen and it will be out of order for anyone to raise the Prentice issue.

Quake toll tops 830

The official death toll has climbed above 830 in the earthquake-stricken Friuli region of North-East Italy. But there are fears that hundreds more are lying dead under the ruins of 19 villages and scattered farms and homesteads. A massive vaccination programme has now begun, but rescue operations are being hampered by continuing earth tremors. Page 6

Energy defeats

The Lords inflicted two further defeats on the Government to step up their challenge to the controversial Energy Bill, and Ministers are now faced with a major problem of how to save the legislation from being crippled before it completes its passage through Parliament to the statute book. Parliament, Page 14

News agency vote

Press Association news agency journalists will ballot to-morrow on whether to take industrial action in support of colleagues on strike at the Daily Telegraph, following an appeal by officials of the National Union of Journalists. Back Page

Peter Hain sued

High Court writ was issued by a London police officer against Mr. Peter Hain, the Young Liberals leader, and the Guardian over an article he wrote after being acquitted in the Putney bank raid case.

Prince 'innocent'

The Government-appointed panel investigating allegations that Prince Bernhard received $1.1m. for promoting Lockheed aircraft in the Netherlands has found him innocent, according to a Dutch newspaper. Page 6

Fraud four fined

Fines totalling £1,320 and suspended jail sentences were imposed at the Old Bailey on four men concerned with the lump tax fraud case for which J. Murphy and Sons, building contractors, and an associated company were fined £575,000 six weeks ago.

Blackmail trial

Three men and two women were sent for trial at the Old Bailey by Wallington, Surrey, magistrates, charged with conspiracy to blackmail the Anglo-American Corporation of South Africa.

Briefly . . .

Malahide Castle sale of one of Ireland's biggest art collections, formerly owned by the late Lord Talbot, fetched £307,113 on the first day. Saleroom, Page 2

Manchester Stock Exchange trading was halted for a while after a fire in the fuse box cut power supplies.

Princess Anne, injured in a horse trial on April 21, may compete in the Tidworth Army horse trial, starting on May 20.

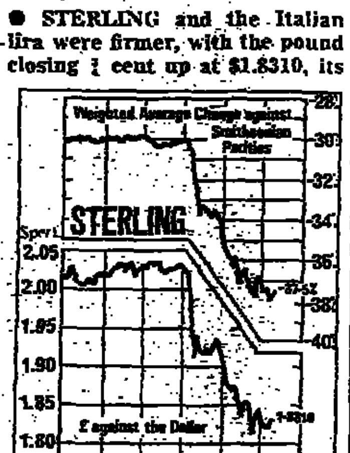
BUSINESS

Equities hold firm: pound improves

● EQUITIES were quite steady, with little selling pressure. The FT 30-share index closed 0.3 higher at 415.5.

● GILTS ended the day with gains in shorts of up to ¼ in thin market conditions. The FT Government Securities index closed 0.36 up at 63.43.

● STERLING and the Italian lira were firmer, with the pound closing ¼ cent up at $1.8310, its



average depreciation narrowing to 37.5 per cent. (37.7 per cent.). The dollar's widened to 2.19 per cent (1.96 per cent).

● GOLD was 25 cents higher at $128¼.

● WALL STREET closed 11.26 up at 1,007.48.

● U.S. TREASURY BILL rates were: threes 5.072 per cent. (4.921); and sixes 5.426 per cent. (5.339).

● THE EEC is drawing up proposals which would compel governments to be more open in their dealings with state-owned enterprises and control the amount of aid given to "lame-duck" industries. Back Page

● CENTRAL bankers meeting at the Bank for International Settlements in Geneva are believed to have discussed the planned IMF gold auctions and the state of sterling.

● GENERAL TIRE, one of the largest U.S. rubber manufacturers, has been charged by the Securities and Exchange Commission with making illegal payments, including $150,000 to buy itself off the Arab Boycott list. The company has not challenged the charges. Back Page

● SUN LIFE Assurance is opposed to the projected £50m. equity bank, Equity Capital for Industry. Back Page

CU first quarter

● COMMERCIAL UNION Assurance reports an underwriting loss of £15.4m. for the first quarter of the year, following losses in the third and fourth quarters of 1975. Page 20 and Lex

● NORWAY and the U.K. have signed a treaty for the development of the Frigg gas field which lies across their North Sea boundaries. The gas, estimated at 7.5 trillion cubic feet will be piped to the U.K. Page 10

● LONDON busmen have accepted pay rises of under £2 a week, back-dated to April 1. Page 14

● HIRE PURCHASE credit, extended in March to £121m., brought the increase in business in the first quarter of this year to 13 per cent. Page 8

● VOLKSWAGEN has made a DM134m. profit for the first quarter of 1976, due to the strong recovery of the West German car market. Losses for 1975 were cut from DM807m. (£173m.) to DM157m. Back Page

● EUROPEAN FERRIES pre-tax profit rose from £4.25m. to £6.37m. in the year to December 31, 1975. The company is making a one-for-two rights issue in August. Page 18 and Lex

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES		
Exchequer 3¾% 78/78	£92¼	+ ¼
Funding 5½% 78/80	[illegible]	[illegible]
[illegible]	288½xd	+ ¾
Akroyd & Smithers	218	+ 6
Allen Harvey & Ross	400	+ 5
Development Secs.	325	+ 15
[illegible]cons	403	+ 5
[illegible]KN	395	+ 5
[illegible]nge Robinson	173	+ 5
[illegible]ssel Toynbee	75	+ 3
[illegible]rk-Save Discount	51	+ 2
[illegible]ill (Jas.)	77	+ 3
[illegible]troen	100	+ 4
[illegible]nwick Grp.	26	+ 4
[illegible]awley Inds.	184	+ 6
[illegible]erman	65	+ 4
[illegible]arrington (Thos.)	42	+ 4
[illegible]atson (R. Kelvin)	341	+ 4
Weyburn Eng.	262	+ 22
Ayer Hitam	248	+ 8
Bishopsgate Plat.	116	+ 5
Doornfontein	415	+ 20
Geevor	240	+ 15
Gopeng Cons.	230	+ 10
Marievale	155	+ 25
Messina	288	+ 6
Pahang	35	+ 5
Randfontein	£18	+ 1
Southvaal	595	+ 55
Vlakfontein	75	+ 9
West Rand Prop.	340	+ 30
FALLS		
Barratt Devs.	101	− 4
Bates (Edward)	31	− 3
Intereuropean	100	− 5
Inv. and Prop. Hldgs.	16	− 2
Lloyds Bank	237	− 5
Lucas Inds.	220	− 4
Paterson Zochonis	255	− 5
BP	572	− 6

LIBERAL LEADER QUITS IN 'INTERESTS OF PARTY'

Three likely to fight for Thorpe's job

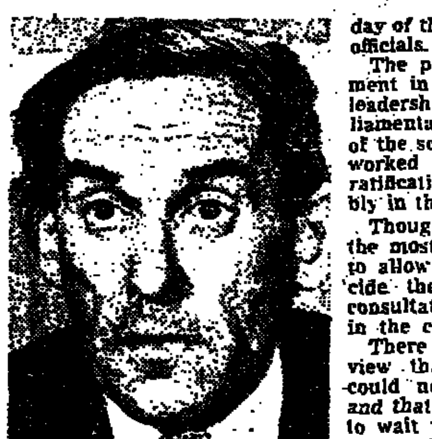
BY PHILIP RAWSTORNE

MR. JEREMY THORPE yesterday resigned the leadership of the Liberal Party, claiming that he had been the victim of a "sustained witch-hunt" by sections of the Press and disloyalty among his MPs.

"No man can effectively lead *a party if the greater part of his* time has to be devoted to answering allegations . . . and counter*ing plots and intrigues,"* he declared.

After a three-month fight against the "campaign of denigration," he had decided to quit in the interests of the party, Mr. Thorpe said in a letter to Mr. David Steel, the Liberals' acting *Chief Whip.*

"I am convinced that a fixed determination to destroy the leader could itself result in the destruction of the party . . . I feel I owe the decision to my family, my constituents and the many loyal Liberals who deserve *better of us* than the continued spectacle of a party wrangling with itself with more concern for personality than policy."



MR. THORPE: "Sustained witch-hunt."

Mr. Thorpe's move will mean that the *three* major parties will all have changed their leaders within a period of 15 months. But recriminations over his departure could cause further divisions in the Liberal Party and embitter the election of his successor.

The three main contenders for the post are expected to be Mr. Steel, the young, radical former Chief Whip who piloted the *Abortion Act through the Com*mons; Mr. Emlyn Hooson, the Right-wing leader of the Welsh Liberals; and Mr. John Pardoe, the party's energetic spokesman on economic affairs.

But the procedures under which the contest will be decided *are confused and will have to be* agreed by a special meeting to-day of the party's MPs, peers and officials.

The party had reached agreement in principle to extend the leadership vote beyond the parliamentary party, but the details of the scheme have not yet been worked out and would require ratification by the Liberal Assembly in the autumn.

Though opinions are divided, the most likely outcome will be to allow the Liberal MPs to decide the issue after intensive consultation with party activists in the country.

There appears to be a majority view that any new procedure could not be speedily decided *and that the Party cannot afford* to wait until the autumn under a caretaker leader despite some support for the recall in such a role of Mr. Jo Grimond.

Mr. Thorpe, who in his nine years as leader trebled the Liberals' popular vote to over 6m., *handed his resignation letter* to Mr. Steel at noon yesterday at a meeting originally called to discuss the latest developments in the Norman Scott affair.

Though again strenuously denying the allegations of a homosexual relationship with Mr. Scott—*who announced yesterday* that he intended to sue Mr. Thorpe for defamation—the Liberal leader had decided at the weekend to yield to the growing pressures on his position.

Publication over the week-end of letters he had written to Mr. Scott had not helped to rally party support. Reports of further revelations by the former Liberal MP, Mr. Peter Bessell, had made it clear that the affair would continue to trouble the party.

The last straw, referred to with some bitterness by Mr. Thorpe, was the decision of Mr. Richard Wainwright, Liberal MP for *Colne Valley, to break a party* agreement and challenge his leader's credibility in a radio interview.

Mr. Wainwright had said that Mr. Thorpe had "not done anything to convince the British public that he has been telling the truth and the public are entitled to have the answers."

Editorial comment, Page 16
The fatal flaw, Page 17

Though the move attracted hostility *from various sections of* the party yesterday, Mr. Wainwright was quite clearly reflecting the opinion of the majority *of Liberal MPs and influential* peers such as Lord Beaumont, Lord Wade and Lord Mackie.

Lord Wade, a former party president, said last night that Mr. Thorpe had made the right decision and had acted in the party's interests.

"I *have admired* all he has done for the Liberal cause. Nevertheless, I have been con-

Continued on back page

Sterling hits 10% inflation timetable

BY ANTHONY HARRIS

THE EFFECT of the decline of sterling on industrial costs makes it highly unlikely that the Government's aim of reducing the annual inflation rate to 10 per cent., will be achieved by the *end of the year,* according to Whitehall statisticians. Prices of materials jumped 4 per cent. in April, *after a 3.7 per cent. rise in* March, and a further significant increase is expected this month.

This effect is likely to work through to wholesale prices in *the second half of the year;* and unless sterling revives sharply it seems unlikely that the rate *of increase of wholesale prices* —just under 15 per cent. annually over the last six months—will decline much below 14 per cent. for some months.

WHOLESALE PRICES (1970 = 100)

		Output prices (home sales)	Materials and fuels
1975	4th	164.9	222.1
1975	1st	176.0	220.9
	2nd	186.3	225.6
	3rd	193.4	237.3
	4th	199.1	256.0
1976	1st	106.9r	266.1r
1975	Oct.	197.0	251.2
	Nov.	198.9	255.7
	Dec.	201.5	259.0
1976	Jan.	204.8	261.9
	Feb.	207.3r	263.5r
	Mar.	208.5r	273.7r
	April	211.2*	284.7*

* provisional r revised

About the end of the year, however, the rate of inflation may begin to fall again quite *rapidly, provided* the growth of domestic costs can be held to the level implied by the second stage of anti-inflation policy.

Retail inflation, which is still *much higher year on year* than the rise in wholesale prices, is still expected to fall sharply over the next three or four months, and progress may be helped by the fact that food prices have recently been rising less rapidly than the prices of other materials. Here again, however, it is thought that the annual rate may be stuck well above 10 per cent. for some months before progress is resumed.

While officials still hope that the effect of the sudden fall in sterling will simply be to delay progress against inflation by a few months, after which the anti-inflation programme would rapidly get back on course, the present picture implies a short-*term fall in real incomes,* which is bound to cause some difficulties in securing support for the TUC's restraint programme.

The Chancellor's *tax cuts,* however, will go some way to offset this timing problem: they will have their biggest effect on real incomes just after mid-year, precisely at the period when progress against inflation is likely to appear most disappointing.

*Wholesale prices of manufac*tures for the home market rose by 1¼ per cent. in April, more than twice as much as in March. This is largely a result of the growing practice in industry of adjusting prices at the beginning of each quarter. But a quarter point *of the rise* was the result of the higher duty on alcoholic drinks imposed in the Budget, and duty increases are likely to cause a similar increase in May. *Prices for manufac*tured foods, which are particularly important for the retail index, rose by a little under 1 per cent., however.

A secondary cause of the rise in material prices is the official policy of eliminating subsidies to the nationalised industries, indeed, prices for electricity, gas and coal actually *rose more sharply* in the two months up to April than did the index for basic materials, including imports. Energy prices rose more than 11 per cent., compared with a rise of just under 10 per cent. in the index for non-food materials. The *index for food materials* rose by only 2.35 per cent in the same period.

The adjustment of the exchange rate and the rise in nationalised industry prices may both be regarded as adjustments which take account of past inflation, and neither is *likely* to recur at anything like the magnitudes shown here. Sterling is probably under-valued, and domestic costs are rising much *more slowly.*

Food prices, on the other hand, have so far been sheltered from the recent decline in sterling by the fact that the "green pound" —the EEC unit of account for U.K. food prices—has not been adjusted to the new situation. *Some devaluation of the unit is* considered inevitable, though Britain's EEC partners appear willing to go on paying subventions which will protect the *British consumer from part of* the effect of the change in rate.

It is not clear how much *further* the index of material prices is likely to rise as a result of the exchange rate. The index

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£ in New York

—	May 10	Previous
Spot	[illegible]	[illegible]
1 month	[illegible]	[illegible]
3 months	[illegible]	[illegible]
12 months	[illegible]	[illegible]

Transport workers back TUC pay agreement

BY CHRISTIAN TYLER, LABOUR STAFF

ADOPTION OF the £2.50-to-£4 pay policy by a special TUC Congress next month became virtually certain yesterday when the Transport and General Workers' Union, *Britain's biggest union* with 1.86m. TUC votes, threw its weight behind the deal.

Mr. Jack Jones, general secretary, described the decision of *his national executive*—all rank and file members of the union—as "very important for the country" and as *a reflection* of the views of both high and low paid workers.

His forecast that the decision would help prevent a further *slide in sterling* was borne out yesterday when the news added about a quarter of a cent to sterling's dollar rate.

Meanwhile, Mr. Denis Healey, the Chancellor of the Exchequer, was brimming with congratulation for the trade union move*ment. for accepting* wage restraint, at a speech to a union conference in Scarborough.

He promised the delegates an economic miracle. There had *been economic miracles in West* Germany, Italy and France since the war. "It is time we had one in Britain and we are going to have one in the next few years," he said.

Mr. Healey was rewarded with a standing ovation from delegates of the white-collar Association of Professional, Executive, Clerical and Computer Staff, who on Sunday backed the new pay deal.

The executive of another white-collar union, the Society *of Civil Servants, is however, to* recommend its conference next week to vote against wage restraint as it did at TUC Congress last year.

TGWU support for the next stage was not unexpected, although a number of the 37 executive members present at yesterday's special meeting spoke *out strongly* against the policy. But the final decision will bind TGWU delegates at the TUC congress in London on June 16.

Mr. Jones was careful to stress *that the final vote, after a four*-hour debate in which 26 members spoke, had been unanimous.

In a reference to militant miners' pay demands, he said the TGWU also represented some of the higher-paid workers in Britain. "We could talk about £100 a week for them. Of course the executive wants to get back to more normal bargaining conditions, but we recognise this is related to getting a more normal *economy.*"

He made it clear that the pay and tax cuts bargain approved by the TUC general council last week was not the end of nego*tiations* with the Government. The unions would be back for action on import controls, prices and unemployment.

With TUC endorsement for a rigorous successor to the £6 pay limit apparently assured—however vulnerable the deal may *prove in practice*—some Ministers and trade union leaders are now convinced that there cannot be another bargain of this kind for 1977-78.

BP and ICI Soviet deals

By Lorne Barling

BRITISH PETROLEUM *and* ICI yesterday signed significant agreements with the Soviet Union, emphasising the importance of a new round of Anglo-Soviet trade talks starting in London to-day.

ICI said yesterday that the Soviet Union had expressed strong interest in acquiring equipment for manufacturing fertilisers, fibres and other basic products. The present *deal is the second of its kind* and will run for five years.

The BP agreement, *signed by* Mr. David Steel, the company's chairman, covers the exchange *of information for research* and development, covering refineries, pollution controls, safety and lubricants.

World Trade News, Page 4

GEC sells stake in ICL

BY MARGARET REID

THE National Enterprise Board and Plessey will each emerge with equal stakes of just under a quarter in International Computers (Holdings) as a result of deals totalling £9m. under which between them, they yesterday *bought GEC's 18.2 per cent.* interest in ICH.

In its biggest investment move into a profitable private sector company, the NEB acquired the bulk of the shares disposed of, as had long been expected by GEC, the large electrical group.

It purchased a near-14 per cent. interest which, with another of 10½ per cent. it is taking over from the Government, will raise its stake in ICH, the British-owned computer group which has been heavily backed with Government help, to 24.42 per cent.

Explaining its acquisition, a spokesman for the NEB, which aims to extend public ownership into profitable private industry, *said: "We are inheriting a hold*ing which will give us an interest in ICH, the only indigenous data processing group.

The purchases by the NEB and Plessey, which spent some £2m. to raise its stake in ICH *from 20.15 per cent. also to 24.42* per cent., were all at 150p a share, which compares with the market price of 148p, up 2p, last night.

Plessey which, because of its telecommunications business, *has a close interest* in ICH's products, commented: "Following discussions with the NEB and ICH it was decided that equal shareholdings by Plessey and the NEB was the best solution."

A spokesman also remarked that they welcomed the Government's backing through the NEB and said: "The enhancement of *their shareholding is added con*firmation of Government support for the British computer industry."

From the NEB's viewpoint it *is clear that, if the State was to* have a large holding in the computer group, it preferred that no other shareholder should have a still bigger interest.

ICH was formed in 1968 *as* a combined British-owned computer business. By September it *will have received State support* which will total £40m., after which the company, whose profits rose last year to £16.2m. from £13.4m., will be free to adopt a more generous dividend policy.

It was made clear yesterday that the Department of Industry will continue to be the provider of the balance of the £40m. State assistance to ICH: the NEB will *not take the creditor role* and ICH will continue in close touch with the Department.

A considerable reconstruction of the ICH Board, headed by Mr. Tom Hudson, is expected. The two GEC nominees have resigned and the Government's right to *appoint a director will not pass* to the NEB with its 10½ per cent. shareholding, the price for which is not yet settled.

The NEB is, however, certainly *expected to have a say in the* appointment of new directors. Mr. Hudson indicated last night that the Board would be larger than at present—perhaps with 10 would be consulted.

Mr. Hudson remarked that he was not a believer in State ownership of industry and pointed out that the State would have less than a quarterholding in ICH.

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FEATURES

ON OTHER PAGES

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LOMBARD

Incomes–hostages to fortune

BY C. GORDON TETHER

THIS MAY sound something of a paradox. But I would have thought that those who, like myself, are identified with the view that the one hope of permanently defeating the pernicious wages-prices spiral form of inflation lies in permanently embracing the incomes policy principle will be far from happy about what is now happening on this front. And, in saying this, I am referring not only to the turn which the exercise launched last year has taken; I also have in mind the assiduously-nurtured proposition that the Government's handling of this operation is so much of a total success story that it would be wholly unreasonable to suggest that there is room for serious criticism.

Such is the country's anxiety to see something done about the monetary shambles that the Government has been able to get away remarkably easily with the serious injustices and other unsatisfactory features of "phase one" of the present incomes policy. But that does not mean that it makes sense for it to adopt a similarly rough-and-ready approach to its successor—to assume that, so long as this can be shown to be headed in the right direction in broad terms, it does not matter if it otherwise does no more than fit the requirements of a good incomes policy where it touches.

The price

There are several reasons for this. The most important of them is that nothing is more calculated to jeopardise the prospects of persuading the nation that it is impossible to keep cost-push inflation at bay *without continuing restraints on* incomes' growth than the feeling that such disciplines are becoming an instrument for perpetrating permanent injustice and other abuses.

The longer-term price that may have to be paid for short-term successes achieved at such cost is, therefore, apt to be high—particularly as a return to free collective bargaining in such circumstances is more than likely to provide the occasion for another wages explosion. And it is surely significant in this connection that there is already a good deal of talk about the "inevitability" of such an upheaval at the close of the year covered by the revised income policy arrangements announced last week.

It is quite conceivable, after all, that even those sections of the population that are most concerned to see monetary stability re-established may come to a highly inconvenient conclusion if they discover that the price they are going to have to pay for it is—for example—a permanent and substantial uncovenanted drop in their living standards. It is that they would be better off taking their chance in an inflationary set-up wherein they can usually count upon being more or less fairly compensated for the impact of the fall in the value of money on their earnings.

Which brings me to the first of the two major defects in the Government's phase two incomes policy now taking shape—the fact that it will consolidate and extend still further the heavy discrimination against some sections of the population perpetrated by the phase one version, with its £6 a week limit on pay increases.

Second defect

There are obviously grounds for arguing that, if living standards do have to be reduced over the country as a whole, the poorer elements in the population should suffer least. But it is entirely wrong to use an incomes policy whose motivation is supposedly the slowing down of the wages-prices spiral as a vehicle for enforcing massive instant—and probably irreversible—cuts in some people's living standards without consulting them or, indeed, having any public discussion on the matter at all.

The Government is being portrayed as having brought off something closely approaching a miracle in negotiating with the TUC an extension of the incomes policy which this organisation thinks its members will accept. But why should those who determine the views of the TUC be allowed to play such an overriding part in the formulation of a national incomes policy? Why should others be expected to accept without a murmur, treatment that will in some cases mean that, by mid-1977, their real incomes will be as much as a third lower than they were only a year or two ago.

Mr. Clive Jenkins, of the Association of Scientific, Technical and Managerial Staffs, ringed round the other major defect in the new deal between the Government and the TUC when he pointed out that it does not cover such other highly relevant aspects of economic policy as what is to be done about reducing the level of unemployment. And this is just as much a matter for concern to believers in the incomes policy way of life as the injustices it will perpetrate.

Much has been made of the argument that pay restraint means more jobs. What are workers likely to see as its real purpose if, when the restraint is forthcoming, it signally fails to produce any assurances that its due reward will be forthcoming.

RACING — BY DOMINIC WIGAN

Panorealm the day's best bet

DESPITE THE unexpected absence of the Oaks second favourite, Sarania to-day's £8,000 Musidora Stakes at York should still provide an interesting race, for the field of eight includes *Crofting*, *Everything Nice* and *Mayo Girl*.

Although Everything Nice will probably go to post as favourite on the strength of her fine run in Newmarket's Pretty Polly Stakes, finishing strongly to take second place behind the highly-rated Spiranthes, I slightly prefer the credentials of the Queen's filly Crofting.

This half-sister by Crepello to that very fast French miler, Ascot Heath, created a highly favourable impression when disposing of a big field of maidens headed by Quiet Affair in summary fashion at Newbury in October.

She again ran well until lack of condition told against her a quarter-mile from home in the seven-furlongs Fred Darling Stakes on the same course a month ago.

Sure to be all the better for her run in the Fred Darling, Crofting wil appreciate to-day's additional 3½ furlongs and is likely to have too much class for Everything Nice, a winner on the coresponding card a year ago, and Montana Girl's once-raced daughter, Mayo Girl.

For what appears to be the best bet of the day, backers must wait until the closing event, the

YORK
2.00—As Blessed
2.35—Swift Hussar
3.05—Ahdeek
3.35—Crofting**
4.05—Le Vingt-Huit
4.35—Belfalas
5.05—Panorealm***

BRIGHTON
1.45—May Fox*
2.15—Jack Jiggs
3.15—Watch-Bear
4.15—Flora Twiee

NOTTINGHAM
7.00—Homewrecker
7.30—Greek Ancestor

Sinnington Handicap, where *Panorealm* is recommended with confidence.

Michael Stoute's strongly-made Realm colt made all the running when landing a 19-runner maiden event at Yarmouth, and then beat Street Choir at Haydock last year. He showed notable promise on his reappearance in the Ely Handicap at Newmarket's Guineas meeting.

Towards the rear in the early stages of the highly-competitive six-furlong event, Panorealm picked up ground smoothly inside the final furlong to finish fastest of all in eighth place.

He is sure to have improved a good deal because of that outing and should give his supporters a good run. Doctor Wall, for whom there is sure to be a good deal of money, may follow Stoute's colt home.

In spite of drifting from an opening show of 6-4 to her 11-2 starting price, *May Fox* was not hard-pressed to score on her racecourse debut at Wolverhampton eight days ago.

Peter Walwyn's compact filly, a half-sister to Mabel and Be Hopeful, will be ideally suited by Brighton's five furlongs. She ought not to be hard-pressed to follow up in the Ditchling Stakes there.

A second likely winner for her jockey, Pat Eddery, the present champion, is the Doug Smith-trained *Watch-Bear*, among the runners for the Madeira Handicap. Major Victor McCalmont's Sassafras colt showed that a race such as this was within his compass when finishing fast to be second behind Charles Martel in a handicap at Pontefract.

SALEROOM — BY MICHAEL THOMPSON-NOEL

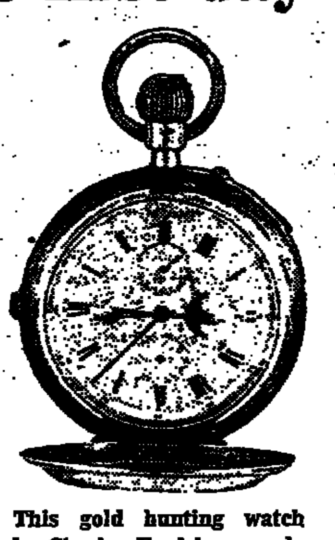
Malahide's first-day £244,109

THE OPENING SESSION of Christie's three-day house sale at Malahide Castle, Co. Dublin, where the company is selling pictures, furniture, porcelain, silver and books belonging to the executors of the late Lord Talbot de Malahide, was voted a big success. It totalled £244,109.

Two Louis XIV boulle commodes were sold to an anonymous Paris dealer for the day's two top prices, £30,000 and £18,000, while the London dealer Woods Wilson paid £18,000 for a pair of George II giltwood side tables.

Other top prices included £17,000 for a pair of South German walnut and marquetry commodes, bought by a private Irish collector; £13,000 for a suite of Irish dark mahogany seat furniture, and £7,500 for a mid-17th-century ebony cabinet which once belonged to James Boswell. The cabinet was bought by a private U.S. collector.

In London a Christie's sale of Chinese jades and snuff bottles brought in £39,632, with practically every lot soldl. A fine and large 18th-century lapis lazuli boulder, carved in high relief with figures in a boat, was sold for £2,500 to Hendricks Imports (the pre-sale estimate was £2,500-£3,500). A pair of small translucent apple-green jade carvings of seated Buddhist lions fetched £1,900, well above the £400-£600 estimate.



This gold hunting watch by Charles Frodsham made £12,000 at Sotheby's.

At Sotheby's a sale of clocks, watches and scientific instrments amounted to 140,525. Only 15 of the 260 lots failed to sell, although as they included several valuable items they accounted for just over 10 per cent. of the knock-down total.

Lot 260, a fine and heavy gold hunting cased keyless lever minute repeating watch with perpetual calendar and split seconds by Charles Frodsham made top price of £12,000 (plus £1,200 buyer's premium).

The next highest price was £9,000 paid by R. A. Lee, the London dealer, for a George Graham silver-mounted ebony quarter-repeating bracket clock (9½ in. high), while the same buyer paid £7,200 for a Joseph Knibb ebony bracket clock.

A Sotheby's sale of Continetal miniatures, objects of vertu and gold boxes totalled £49,499, including £8,500 paid anonymously *for a Charles le Bastier* three-colour gold snuff box in oval form (Paris, 1764), and £4,500 paid by the Earl of Clarendon for a rare Morisset and Lukin gold and enamel snuff box inset with a miniature of Maria Eleanor, wife of John Charles, the 3rd Earl of Clarendon. It was made in London in 1799.

Russian and Greek ikons at Sotheby's totalled £39,167, including £1,450 paid by a German dealer for an Italo-Cretan icon of the Virgin and Child, c.1600.

Sotheby Parke Bernet's long-running sale of Old Master and 19th- and 20th-century prints in New York finished on Saturday for a final total of $1,096,275.

Phillips was busy with three sales yesterday. Furniture totalled £32,531, including £1,100 for a set of 18th-century mahogany dining chairs. At the other end of the scale a glass chamber-pot etched with a rhyme made £55. A print sale earned £8,701 and watercolours £6,168.

The afternoon session brought the day's total to £307,113.

FILM AND VIDEO — BY JOHN CHITTOCK

The end of an era

THE ANNUAL British Sponsored Film Festival starting in Brighton to-day may well mark the end of an era for the production companies in this business. The last 12 months has witnessed some serious shake-ups for this influential cottage industry, one of which has even involved the Charterhouse Group.

It is quite possible to list well over 200 companies claiming to be sponsored film producers. Over the last 15 years, however, the business has been dominated by only a handful — the largest of which was the Film Producers Guild. It has a history going back to the 1930s and with the Crown Film Unit of the war years provided the training ground for a high proportion of the leading British *film and television* makers of to-day.

The Charterhouse Group became a minority shareholder of the FPG in 1956 and assumed complete ownership in 1969, corresponding with the period when sponsored films were approaching their zenith and the Guild in particular was creaming off much of the high budget work. In January of this year, Charterhouse parted with 84 per cent. of its holdings to Cygnet Films, a company that in the 1950s was tiny indeed, working at the bottom end of the budget range, and almost wholly owned by the man who started it, Mr. Rae Evans. He now becomes an 80 per cent. shareholder of the new unit, Cygnet Guild Communications. In passing, Cygnet has also recently taken in another leader of the 1960s in Rayant Pictures, and a third prestige company of that period, Stewart Films.

Other established names of that era have now vanished almost without trace, such as Stanley Schofield Productions—at one time the most prolific of all producing houses — Sir Arthur Elton's Film Centre International, and Richard Dimbleby's Film Partnership.

Block busters

Companies such as the Guild and Rayant depended heavily on the big film, the public relations block busters with budgets of £20,000 to £30,000 even in those days. Others such as Stanley Schofield and Stewart Films relied on a steady stream of work from old regulars—in the case of Schofield, the Rootes Group. Now, industry spends its money on much lower budget productions with hard but simple functions. The work is also spread more thinly, coming from a greater number of sponsors who need much more marketing effort to find.

The trend has even changed for the smaller, bespoke companies—such as James Archibald and Associates, Anthony Barrier Productions, and Gerard Holdsworth Productions—now working at all points in the budget range. Holdsworths are happily one of the few old names to survive these changes, mainly, they say, because they have been less affected by budget cuts than many other producers. Holdsworths have also taken a weather eye on the future by starting to produce a number of their own films on sports subjects—creating, as they say, the one thing that producers have lacked in this business, an equity. With six already made on judo, four on table tennis, two on squash, two on target archery, and three on flower arranging, the company has some solid revenue earners for the future—in between sponsored work for firms such as Smiths Industries and organisations like the National Farmers' Union.

Yet Holdsworths echo the words of so many in this business, that the future is in a multi-media approach, of which film is only one facet. This same theme is stressed by World Wide Pictures, perhaps the only big production company of the 1950s that has successfully adapted to the changing needs of industry.

World Wide has long been a name, like the Film Producers' Guild, with a special stature in sponsored films. Its history is a part of the industrial film story and its clients have always included the major sponsors, such as Unilever and British Petroleum. But recognising the cool zephyrs of change in the late 1960s and early 1970s, World Wide began to redistribute its strengths with a growing capability in film strips and video, a careful pruning of its big facilities for sound recording and animation, and an emphasis on marketing skills.

Of the survivors from the golden era, a few have adopted new names, such as Anthony Gilkison and Associates, which has turned itself from a production consultancy business into the much larger operation known as Viscom, covering film, film strip, multi-screen, video production, and library distribution. This multi-media, multi-service approach which so many production companies are adopting is a sign of changes to come. With emphasis shifting to service and facilities, the industry could become more capital intensive, whereas in the past its strengths have been in creative people. The makers, the people, are being driven into the wilderness operating from tiny offices even from home, trying to serve a sense of creativity concentrating their talents on only two or three films a year if they are lucky enough to find them.

Committed

Happily there is still a core of committed film-makers left in sponsored films, running very viable companies such as Illustra Films, Charles Barker Films and Sorel Films. But people running these companies are survivors from the past: very little new talent is entering the industry. Mr. David Rolfe, straight from film school in 1972, is almost unique in being at 25 years of age running a new sponsored production company, Screenpro Films, instead of jumping straight into television as most film school graduates now seem to do. For Mr. Rolfe it has meant a tough struggle, making more demands on business tenacity than creativity. With 1,000 self letters personally written in 1975, he has displayed the kind of determination that the survivors in this industry all share. But the hard core sponsors pass him by — albeit "politely"—sticking to the faithful production companies that have weathered the storm.

In any other industry with such a small turnover—about £5m. to £6m. on production annually—such events might be of little consequence. But the sponsored film industry has always been a catalyst in the success of Britain's feature industry. Not only has sponsored documentary provided a proving ground for new creative talents such as John Schlesinger and Karel Reisz: it has been a steady employer for the technicians, cameramen, production managers whose work in features has become increasingly sporadic, especially as the large studios have either closed or become "four-wallers" with no permanent staff.

TV/Radio

† Indicates programme in black and white

BBC 1

7.05-7.55 a.m. Open University. (UHF only). 9.38 For Schools, Colleges. 12.45 p.m. News. 1.00 Pebble Mill. 1.45 Thomas. 1.50 Ring-a-Ding. 2.00 You and Me. †2.15 For Schools, Colleges. 3.25 Eira Ddoe: The 1926 Strike. 3.58 Regional News (except London). 4.00 Play School. 4.25 Dorothy and the Kite. 4.30 Jackanory. 4.45 Animal Magic. 5.15 Vision On. 5.40 Paddington.
5.45 News
6.00 Nationwide
6.50 Circus
7.15 The Olympiad
8.10 Angels
9.00 News
9.25 I Didn't Know You Cared
9.55 Sportsnight
10.55 To-night
11.30 May I Have the Pleasure?
11.55 Weather/Regional News.

All Regions as BBC—1 except at the following times:

WALES — †2.40-3.00 p.m. For Schools: Gwlad a Thref. 6.00-6.50 Wales To-day. 6.50-7.15 Heddiw. 11.55 News and Weather for Wales.

SCOTLAND — 6.00-6.50 p.m. Reporting Scotland. 11.55 News Summary and Weather for Scotland.

NORTHERN IRELAND — 3.58-4.00 p.m. Northern Ireland News. 6.00-6.50 Scene Around Six. 11.55 News Headlines and Weather for Northern Ireland.

ENGLAND—6.00-6.50 p.m. Look North (from Leeds, Manchester, Newcastle); Midlands To-day (from Birmingham); Look East (from Norwich); Points West (from Bristol); South To-day (from Southampton); Spotlight South West (from Plymouth).

BBC 2

6.40-7.30 a.m. Open University
11.00 Play School
2.30 p.m. Peter Donaldson's Illustrated Economics
5.00 Open University
7.05 Middle East
7.28 Weather
7.30 Newsday
7.45 The Book Programme
8.10 America
9.00 Tuesday Cinema: "A Star Is Born" starring Janet Gaynor, Fredric March and Adolphe Menjou
10.45 The Old Grey Whistle Test
11.35 Newsnight
11.55-12.00 Closedown: Georgine Anderson reads "A Painting by Winifred Nicholson" by Elizabeth Jennings

LONDON

9.30 a.m. Schools Programmes. 12.00 Paperplay. 12.10 p.m. Rainbow. 12.30 Treasures in Store. 1.00 First Report: News, FT Index. 1.20 Lunchtime To-day. 1.30 Emmerdale Farm. 2.00 Good Afternoon. 2.30 Racing from York. 3.55 General Hospital. 4.25 Arrows. 4.50 Lookout. 5.20 Nanny and the Professor.
5.50 News from ITN
6.00 To-day
6.40 Crossroads
7.05 A Little Bit of Wisdom
7.35 Tuesday Film Premiere: "Mrs. Sundance"
8.55 Plays for Britain
10.00 News
10.30 General Strike Report
10.45 The Masked Dance
11.45 Drive-In
12.15 a.m. Barnaby Jones

All ITV Regions as London except at the following times:

ANGLIA

1.25 p.m. Anglia News. 5.20 The Flintstones. 6.00 About Anglia. 7.00 Cartoon Time. 7.05 The Tuesday Movie: "Escape From Fort Bravo" starring William Holden and Eleanor Parker. 12.15 a.m. Anthology.

ATV MIDLANDS

1.20 p.m. ATV News Desk. 5.20 Spiderman. 6.00 ATV Today. 7.30 The Tuesday Mystery Movie: "The Greenhouse Jungle" starring Peter Falk. 11.45 Angling Today.

BORDER

†1.20 p.m. Border News. 2.00 Houseparty. 5.20 Sky. 6.00 Border News and Lookaround. 7.30 Cartoon Time. 7.35 TV Movie: "Wheeler and Murdoch." †12.15 a.m. Border News Summary.

CHANNEL

1.20 p.m. Channel Lunchtime News and What's On Where. 5.20 Wait Till Your Father Gets Home. 6.00 Report at Six. 7.00 Treasure Hunt. 7.30 Star Movie: Law of the Lawless.". 11.45 Commentaries et Previsions Meteorologiques.

GRAMPIAN

1.20 p.m. Grampian News Headlines. 5.20 Chopper One. 6.00 Grampian Today. 6.10 Country Focus. 7.30 Columbo. 12.15 a.m. Evening Prayers.

GRANADA

1.20 p.m. This Is Your Right. †5.15 Stamp Stories. 5.20 Wait Till Your Father Gets Home. 6.00 Granada Reports. 6.35 The Adventurer. 7.35 Mystery Movie: Cool Million. 11.45 The Collaborators.

HTV

1.20 p.m. Report West Headlines. 1.25 Report Wales Headlines. 2.00 Houseparty. 5.20 Merrie Melodies Show. 6.01 Report West. 6.20 Report Wales. 6.40 A Little Bit of Wisdom. 7.10 The Tuesday Mystery Movie: McCloud: McCloud.

As HTV General Service except: 1.20-1.25 p.m. p.m. Penawdau Newyddion y Dydd. 4.25-4.50 Fyny Fan'na. 6.01-6.20 Y Dydd. 10.45 Gair a Chan. 11.30 Book Review. 11.45 World in Action.

HTV West—As HTV General Service except: 1.20-1.30 p.m. Report West Headlines: 6.20-6.40 Report West.

SCOTTISH

†1.25 p.m. Road and Weather Report. 2.00 Houseparty. 5.20 Pipet and His Friends. 5.25 Amazing Chan and the Chan Clan. 6.00 Scotland Today. 6.30 Alasdair. 7.00 Cartoon Time. 7.05 Tuesday Movie: "Escape from Fort Bravo." 11.45 Late Call. 11.50 The Odd Couple.

SOUTHERN

1.20 p.m. *Southern News*. 2.00 Houseparty. 5.20 Phyllis. 6.00 Day By Day. 6.45 A Little Bit Of Wisdom. †7.15 "3.10 To Yuma," starring Glenn Ford and Van Heflin. 12.15 a.m. Southern News Extra.

TYNE TEES

9.25 a.m. Starting Point. 1.20 p.m. Lunchtime News and Lookaround. 1.30 The Doris Day Show. 5.20 Emmerdale Farm. 6.00 To-day at Six. 7.30 Betty Boop. 7.35 Columbo. 11.45 Epilogue.

ULSTER

1.20 p.m. Ulster News Headlines followed by Lunchtime. 2.00 Houseparty. 4.23 Ulster News Headlines. 5.20 Sky. 6.00 UTV Reports. †7.30 Tuesday Movie: "So Long At The Fair." starring Jean Simmons and Dirk Bogarde. 11.45 UTV Profile.

WESTWARD

12.25 p.m. Gus Honeybun's Birthdays. 1.20 Westward News Headlines. 5.20 The Amazing Chan and the Chan Clan. 6.00 Westward Diary. 7.00 Treasure Hunt. 7.30 Star Movie: "Law Of The Lawless." starring Dale Robertson and Yvonne de Carlo. 11.45 Westward Late News. 11.48 Faith For Life.

YORKSHIRE

1.20 p.m. Calendar News. 1.30 Three Little Words. 5.20 Emmerdale Farm. 6.00 Calendar. 7.30 Columbo. 11.45 The Odd Couple.

RADIO 1 — 247m

(S) Stereophonic broadcast

6.00 a.m. As Radio 2. 7.00 Noel Edmonds. 9.00 Tony Blackburn. 12.00 Johnnie Walker including 12.30 p.m. Newsbeat. 2.02 David Hamilton (S) (also on VHF). 4.30 It's D.L.T. OK! 5.45 Newsbeat. 6.02 John Dunn (S) (joins Radio 2) (7.30-9.30 as VHF) 11.00 John Peel (S) (also on VHF) 12.00-12.05 a.m. As Radio 2.

RADIO 2 — 1,500m and VHF

RADIO 3

... 11.25 Dance Music for Two Pianos (S). 12.05 p.m. Mid-day Concert, part 1: Bach (S). 1.00 News. 1.05 The Arts Worldwide. 1.20 Mid-day Concert, part 2: Stravinsky, Bach (S). 2.00 *Music In Our Time* (S). 2.45 Mozart concert (S). 3.40 Brahms (S). 4.55 Jazz To-day (S). 5.25 Pied Piper (S). †5.45 Homeward Bound. †6.05 News. 6.10 Homeward Bound (continued). †6.30 Lifelines: Work and Training. 7.30 City of Birmingham Symphony Orchestra concert, part 1: Berlioz, Prokofiev (S). 8.15 How Many More Swans? ...

RADIO 4

... Focus. 7.30 City of Birmingham Symphony Orchestra concert, part 1 (as Radio 3) (S). 8.15 How Many More Swans? (as Radio 3). 8.35 Concert, part 2 (as Radio 3) (S). 9.20 Kaleidoscope. 9.59 Weather. 10.00 The World To-night. 10.45 A Book At Bedtime, part 2. 11.00 The Financial World To-night. 11.15 To-day in Parliament. 11.30 News.

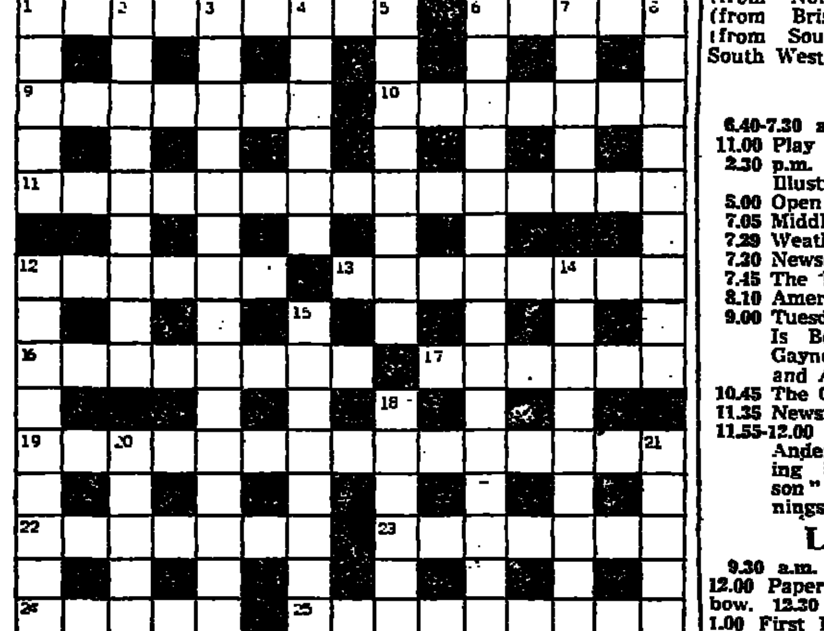
For Schools (VHF only) 9.20 a.m.-12.00 and 2.00-3.00 p.m.

BBC Radio London

London Broadcasting

Capital Radio

F.T. CROSSWORD PUZZLE No. 3,076



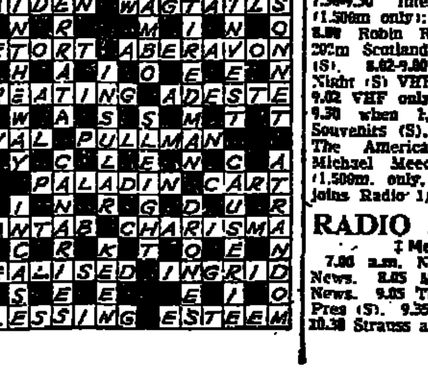
ACROSS

1 Leading actor going to stage is right at sea (9)
6 Prearranged to accommodate (3-2)
9 That which turns both ways—even without thanks (7)
10 Bad lie certain to create freedom from work (7)
11 Extensive and indiscriminate hoards selling to retailers (9, 6)
12 Craggy pop singer goes to your head (6)
13 One that cooks changes mine (8)
16 Each male could be the hero of morality play (8)
17 Odds to peruse and scatter abroad (6)
19 Trying to beautify the beautiful by applying make-up to the girl (8, 3, 4)
22 Notice I take a certain attitude—being fatty (7)
23 Refrain from a bandleader going to a spot (7)
24 A small anchor obtained from wrecked "Georgia" (5)
25 Singers wrongly putting stress on "G" (9)

DOWN

1 Cheat a prison officer (5)
2 Writer is going to editor initially for sanction (9)
3 Insect hit—by what the swimmer may do (9, 6)
4 A second class way overseas (6)
5 Well-dressed girl gets editor out of bed (6-2)
6 Capital writing smoothes out the source of the F.T. (8, 7)
7 Honestly right and more faithful (5)
8 Papers put to boss for a fastener (5-4)
12 Bargain-giver for low-price car lifter (5, 4)
14 Affirm date and price alteration (9)
15 Father at home not so much? That's not unpleasant! (8)
18 Refine the melody (6)
20 I contended in rivalry to be over-grown (5)
21 Jerks Americans (5)

SOLUTION TO PUZZLE NO. 3,075



ENTERTAINMENT GUIDE

OPERA AND BALLET

COLISEUM. (01-836 3161) LONDON FESTIVAL BALLET Eves. 7.30. Mat. Sat. 3. Tonight, Tomor. and Thur. Le Spectre de la Rose, Giselle; Fri. and Sat. Don Quixote. LAST WEEK.

COLISEUM. 836 3161. May 17-29. THE STUTTGART BALLET Seats available for all perfs.

THEATRES

FORTUNE. 836 2238. Mon. to Sat. 8. Mat. Sats. at 5. Thurs. at 3. LILA KEDROVA SIMON WILLIAMS VERONICA QUILLIGAN MARY KERRIDGE "Matching the best—this sparkling GIGI ... charming." D. Exp.

THEATRES

QUEEN'S. 01-734 1166. Evenings 8. Mats. Thurs. 3.00. Sat. 5.30 and 8. Winner of all the awards for Michael GAMBON in Simon Gray's OTHERWISE ENGAGED Directed by Harold PINTER BEST PLAY OF THE YEAR.

CINEMAS ARE CONTINUED ON PAGE 10

...stival Hall

Janet Baker

by RONALD CRICHTON

...iday's recital in the Silver ...lee series by Janet Baker ... Geoffrey Parsons began ... a greeting from the large ...ence of the most cordial ...nth and ended with a stand- ...ovation. The acclamation ... won not only by utterly ...nitted singing with no con- ...on to the size of a hall ...lpful to the solo voice, but ... discriminating, ingenious ...e of songs and texts. This ... a recital of Schiller, Goethe, ...e, Verlaine and Auden as ...h as of Schubert, Liszt, ...ussy, Fauré and Berkeley.

...is singer's penetrating treat- ...t of Schubert goes a long way ...nd the charm and tuneful- ... of the more popular songs. ... Schiller settings bring out ... qualities that make her per- ...nance of baroque music so ...sting and revealing. The ...ated "Ach!" at the close of ...nalia," stanzas taken from ... Räuber, was as expressive ...nything in her monteverdian ...elope. Dame Janet reveals ...e Götter Griechenlands" as ... of the most concentrated ... haunting of Romantic ex- ...sions of the eternal longing ...he North for the Classical ...th—this is a song with which ... personal colour and in- ...ity of her tone will surely be ...ver associated, as the voices ...Schumann and Lehmann and ...warzkopf are with other ...man Lieder.

...iszt's songs, with the devotee ...el canto ever ready to take ...r the vocal line and the key- ...rd virtuoso waiting to ...orate the piano parts, offend ...row minds, yet it is valuable ... have some of the greatest ...man lyrics set by a composer ... was not tied to German ...rth and home. The fineness ...he line in "Du bist wie eine ...me" revealed passing traces ... strain, yet what one ...members more (apart from the ...mirable readiness to take ...s) are the songs that came ... entirely like "Im Rhein, im ...önen Strome" and "Uber allen Gipfeln." Most of all, the remarkable, extended setting of "Die Lorelei" where the singer uncannily suggested that the narrator was as much under the witch's spell as the unlucky boatman. Now Dame Janet must take up the orchestral version of this song-scena, which Henry Wood used to do in days when Liszt was less well thought of than now.

The pairing of Debussy and Fauré settings of poems by Verlaine was not a gimmick but an enriching idea that brought delight and illumination, especially about the differing approach of the two composers. Debussy stalked Verlaine as closely as a cat, so much so that he caught the taint of sickly-sweetness ignored by Fauré, who on the other hand could respond to indifferent verse by poets beneath the mature Debussy's notice. Fauré's prodigious invention could be set going, up to his final period at least, by a sympathetic mood expressed without particular distinction—more a Brahms than a Wolf. "Spleen" and "Green" went very well. "En sourdine" was a little too ecstatistically becalmed, a fact underlined by the slight anticipation (instantly rectified) of the last phrase. The French diphthongs containing "ui" were not altogether beyond reproach.

The Berkeley-Auden songs (op.53) after the peaks of the French school could hardly avoid seeming like a documentary film after a feature, but a good documentary, detached yet not dispassionate: Lowry after Renoir. "Carry her over the water" was a fitting end to a recital full of generous giving and unobvious daring, the singer's warm humanity and acute musical insight matched by the pianist in his alliance of subdued brilliance (in Liszt) and infinite delicacy (in Debussy) with the precise amount of support this voice needs at a given moment. As a final encore Handel's "O had I Jubal's lyre" was sung with radiant suppleness.

...lizabeth Hall

Nizar Hussain Khan

by DAVID MURRAY

There were no programmes, so ...unday afternoon's World of ...lam recital began with an ...pect of accidental inscrut- ...bility. The ragas which the ...nger Nizar Hussain Khan had ...hosen to perform were an- ...nounced over the public-address ...stem, and there was a ...lighted buzz among the ...dian connoisseurs. (Ragas are ...ected according to the mood ... the occasion and the pleasure ... the artist, and the connois- ...urs seem always to be ...lighted: perhaps, for all I ...ew, because respected artists ...e infallible matchers of ragas ... occasions.) The singer ...tered, looking like a sober ...inessman in late middle age, ...d seated himself in the middle ... his accompanying group— ...la, saranghi, tampura.

...Each half of the recital ...tured a single, sustained per- ...mance; the time when London ...diences were thought incap- ...e of digesting Indian music in ...unks larger than 20 minutes or ... are past. Each piece followed ... classical plan, a slow reflec- ...e section followed by an up- ...po improvisation which loops ...ing syncopations over the ...ic rhythmic cycle (both times here Teen Tal, a 16-beat cycle which a Western amateur can follow easily) with cumulative excitement. Though the tabla player was expertly sensitive, the musical burden was always carried by the singer, spelled from time to time by the soft-grained voice of his son.

The virtuosity demanded by such feats of musical cogency is staggering, the more so considering that the voice only rarely ventures outside the span of a single octave. (Lungeing at high notes is no part of the Indian tradition; Indians tend to find Western singing too nasal, too full of vibrato and too loud.) Nizar Hussain Khan's powers of musical invention are founded on precisely subtle pitching, and a marvellous variety of vocal attack. He communicated the serene confidence of a master of an exacting art, without display other than left-hand gestures of shaping the air. I shall remember best the rapt, autumnal slow portion of his second performance: the raga was in the Lydian mode, and—not only for that reason—it evoked the radiant stillness of Ravel's first Mallarmé song.

...lizabeth Hall

St. John Passion

by MAX LOPPERT

...n alert, direct and, in its way, ...y moving performance of the ... John Passion on Sunday, by ... Musica Antiqua instrumental ...emble of Amsterdam and the ...legium Vocale of Ghent, led ... Philippe Herreweghe. It was ... that this "authentic" Bach, ...ed by a small band of baroque ...ins and wind and sung in ...man by a 20-strong choir, ...uld be sponsored by the ...lish Bach Festival (which ...—surely correctly—shows ...lf broad enough to present, ...he end of its London season, ...t. Matthew more traditionally ...ned and interpreted).

...escriptions of Bach perform- ...es intended, as this was, to ...eate original performing ...umstances, often go no ...her than expressions of ...sure taken in the re- ...hingly athletic non-vibrato ...nd of the strings, or the ...ish tempi and cool, lucid ...asing usually inspired by the ...ruments, or the limber plac- ... of contrapuntal textures by ...ll choirs. What was striking ...ut this performance was the ... the turbulent, heightened ...urs and moods of the ... John Passion were not, as ...ht have been expected of the ...sion, drained—but somehow ...phasised. It was not that the ...ic was played "without ...rpretation" (such, if at all ...sible, must lead to deathly ...ical dullness); rather, the ...tact with the music, in this ...t-textured but not frivolous ...ding, was made without re- ...rse to traditional emotiona- ...g.

...his spirit seemed to find its ...ome in the singing of the ...ngelist, Marius van Altena, in ...se apparently matter-of-fact ...ner of delivery matched by ...n (not white tone) was re- ...led admirable sensitivity to ...wing the expression from the ...sic itself—the telling of cock- ...w was a notable example. In ... bass arias Max von Egmond ...ilarly "let the music sing it-self," in smooth, translucent phrases of unforced distinction.

Of the other soloists Rene Jacobs' affecting counter-tenor, individual of colour and timbre, lacked only the final technical assurance for so demanding an expression of pathos as "Es ist vollbracht." The retirement of the conductor during arias, leaving the pulse of the music to the lead of the continuo, here added a personal intimacy to solo expression that was surely Bach's intention. More by rhythmic quick wit than vocal fulness does the young choir make its pleasing impact; after the opening chorus, in which the seesaw phrasing seemed to underline the unaccustomed tonal weightlessness, the ear's adjustment was easily made.

Roland, Browse and Delbanco

Matthew Smith revalued

by DENYS SUTTON, Editor of Apollo

Matthew Smith: 'Flowers in a vase'

It is now nearly 20 years since Sir Matthew Smith died and since then considerable changes have taken place in the art scene. In 1959 the main emphasis was still placed on abstraction and the claim was often advanced that only non-figurative art deserved consideration, all the more so as the artistic leaders of the day were felt to be members of the New York School.

The rise of abstraction was understandable and by no means unconnected with the flight from Realism that was associated with the war and the austerity of the immediate post-war period, although at this time the cinema was dominated by the neo-realism of the Italians. The concern with modern American painting was no less comprehensible for many talented new men emerged in the U.S.; it was also held that the very evident position of the States as a major world power was necessarily accompanied by a dominant school of art.

The position of an artist such as Smith in the last part of his career was a complicated one. He was too old to change his way of painting, even if he had wanted to, and his style had been formed before the First World War; he remained faithful to figuration.

Now that the powerful position of abstraction has diminished and the significance of modern American art is considered with a greater sense of proportion, the contribution of various English artists is being more justly examined. Matthew Smith is now ripe for revaluation. Messrs. Tooth and Roland, Browse and Delbanco have combined to mount a show in their respective galleries of just over sixty items. The first gallery presents Smith's work down to about 1926 and the second gallery that of the later period.

Matthew Smith, who was born in 1879, belonged to a generation that believed that the chief art centre was Paris, which was broadly speaking true at that period. Between 1908 and 1912 Smith spent considerable time in France, working in Pont-Aven, which had been favoured by Gauguin and many other artists, French and foreign, and spending a month in the Paris school run by Matisse.

Smith's choice of Matisse as a teacher was significant for by temperament, he was a natural Fauve, a man in love with colour. The relationship of his early works to those of the Fauves—Matisse, Derain and Vlaminck—is evident in terms of his use of hot and dramatic colour. But the resemblance was no more than generic and telling differences exist between his approach and that of his French colleagues. Matisse, for instance, was eager to employ colour to assist in the formation of decorative schemes; Smith was less interested in the creation of pattern than in the use of colour to express the mood engendered in him by the scenes or figures that appealed to him. Matisse was a cerebral artist: not so Smith. He was an impulsive painter, whose paint flows over the canvas.

His paintings made a strong contrast with his personality. He was gentle and retiring with a warm sense of humour but he had considerable powers of obseravtion as is shown in his portraits of Augustus John and Henry Green, which stand out in the Roland, Browse and Delbanco show.

Smith's love of France was a determining feature of his personality. From 1932 to 1940 he lived first in Cannes and then in Aix-en-Provence. It is hardly surprising that much of his painting reflects his delight in the Midi. When he was in tune with his subject—a Provençal landscape, a bowl of luxuriant flowers or a buxom nude—he painted luscious and colourful pictures that convey his intense pleasure in the good things of life.

Francis Bacon has praised his work for its intuitive character. It was Smith's immediate response to sensuous themes that made him such a devotee of colour, even though at times his paint could assume rather too creamy an aspect. The trouble was that when his intuition failed him, as it did rather often, the fall from grace was considerable.

The merit of this exhibition is that the works on view have been carefully chosen so that the very best of Smith is shown. The result will enable a new generation to gain the measure of an able painter, one whose strength lay in his refusal to compromise with his own values. He was a sincere artist, whose work is none the worse for its touch of provincialism.

Smith was born in the same year as Vanessa Bell and E. M. Forster, both members of the Bloomsbury Group which now excites much interest, both in this country and the U.S. It has formed the theme of an excellent exhibition at the National Book League, of which the catalogue, with an introduction by Quentin Bell, the biographer of Virginia Woolf, makes a useful contribution to the literature about the Group. In the same way as Smith, the painters of Bloomsbury were keen on French art, a point that is made especially clear in the writings of Clive Bell, who wrote a charming book about Proust as early as 1928.

The exhibition emphasises the extent to which Anglo-French cultural relations were so fruitful in the years between 1890 and 1940. This happy state of affairs has changed and the Berlin of Brecht and the Vienna of Schiele have replaced the Paris of the Left Bank as a source of inspiration.

Maison française, Oxford

GERM

by DOMINIC GILL

GERM is the acronym for the Groupe d'Etude et Réalisations Musicales, founded in Cologne nearly ten years ago by the composers Jean-Yves Bosseur, Gerard Fremy, Pierre Marietan and others, and now based in Paris. They are one of the few avant-garde music groups of their kind in France: informal, adventurous, catholic and tolerant in their performing tastes, and as much concerned with teaching as playing in character and aspiration somewhat similar to our own Cockpit Ensemble, or to our recently disbanded Gentle Fire.

GERM's appearance at the Maison française in Oxford on Friday night was the last of a short, first British tour, organised for the group by Normedia: a gentle, unassuming, stimulating evening of five works by Bosseur and Marietan, neatly and unpretentiously presented, with plenty of time allowed at the end of each half for questions and arguments.

We heard two versions of Bosseur's Triptychs for solo and duo: the first, for solo piano, laid out in five triple pages of mixed verbal, graphic and conventional notation, I specially liked—a sequence of slow, Skryabin-clouded chords and cadences, punctuated by long silences filled in by the singing of the evening chorus of birds outside the hall: pretty alternation. The performance itself, by Lydia Domancic, chosen from a number of possible alternatives, had quiet, firm character.

Marietan's Initiative in a few words was a scoreless group-study for instruments (here, violin, clarinet, horn and piano) which sounded like the simplest kind of "intuitive" improvisation—though the actual plan was more one of free schematic variation. Richer and more satisfying to hear was a performance which combined two Marietan pieces, Circulare for solo piano, and mf/mp for tape and instruments. The introduction of slow-drifting piano chords, each a variation of the same harmony, sustained until the last sound had died away, was in context strangely beautiful, and established in a small hall, with a small audience, most successfully the kind of "complicity" between player and listener which the GERM composers look for, making way for a gradual, grandly effective climax. Marsyas Musique was a humorous-surrealist home-movie with wrap-around instrumental accompaniment from four corners of the hall—a day in the life of GERM, exuberant fun, spiced with serious, sensuous point.

Brighton

Henze & Britten

by PAUL GRIFFITHS

It promises to be a summer of Henze premières, with a new work at the City of London Festival in July and, of course, the "actions for music" We come to the River at Covent Garden in the same month. Brighton Festival's contribution was a concert suite from the music Henze wrote last year for Volker Schlöndorf's film Katharina Blum, after the novel of Heinrich Böll. The suite had its first performance from the festival ensemble, conducted by Henze, on Thursday evening amid the exotic Anglo-Catholic trimmings of St. Martin's Church. It was an incongruous location, for the Katharina Blum score is stern music for a story of social confinement, hypocrisy and attack.

The suite begins and ends with thickly coiling, darkly menacing movements entitled "The polluted river," one being a rearrangement and variation of the other. Between them come several studies in emotional illustration, "The lovers," "Lament," "Memories" and "Fear." Henze does these well, and he keeps up the tone of grey aimlessness covering an essential insecurity; but there is nothing of special moment in the score, unless in the wistful interlocking counterpoint of the love scene. At an extreme from this is "Rush hour," which is bravely described as a "grand fugue" but in fact consists of a raucous mélange of fragments freely distributed over a helter-skelter duo for the percussionists.

It was a pity that the Henze concert did not include the Fantasia for strings which he drew from his score for an earlier Schlöndorf film, Der junge Törless. Instead we had his dreamy viola concerto Composes, with Hirofumi Fukai as soloist, as well as Tippett's Divertimento on "Sellinger's Round" and Mozart's Symphony No. 29. There was, however, another chance to observe his response to the cinema, and more directly, when on Friday evening he improvised at the piano during a showing of Stroheim's Greed, with the assistance of the percussionist Gary Kettel. But that event I had to miss in favour of the English Music Theatre Company revival of The Turn of the Screw at the Theatre Royal.

I do not think it was only thoughts of Henze in the cinema which made me feel that Britten's most successful chamber opera (excepting the church parables) would be still more powerful, like his second Henry James adaptation, Owen Wingrave, in film or television form. That would have avoided the gravestone in the bedroom and the spiral staircase by the lake we had in Yolanda Sonnabend's single set for this production. It was a simple and practical set, but still with enough details to obtrude absurdly in this way. John B. Read's excellent lighting went a long way to show how much might be achieved in conjuring location and dramatic situation almost by shadow and illumination alone.

However, The Turn of the Screw turns on the screw, the ever-tightening hold of dramatic inevitability and musical obsessiveness. Here Colin Graham's production had the strength of modesty: the scenes appeared to play themselves, with no elaborate business—except where it is needed, from the children—to disturb the tranquil doom. The orchestra can afford to be more alive, since it must present the twists of character and motivation; and under Meredith Davies, who took over the baton at the last moment, the English Music Theatre Orchestra played the score with the right balance of nervous flight and drear circling.

As for the cast, Alexandra Browning was an excellent Governess. She was a woman one might nearly have concluded had invented the impending catastrophe she saw about her, an intensely sensitive neurotic who had elaborated hearsay and coincidence into something monstrous. Her self-doubts seemed the more comprehensible for the obviousness of her inadequacies (personal to the character, of course, not in Miss Browning's performance). Andrew Harding was a crafty Miles, though not crafty enough to cover the weaknesses of a boy's voice in adult surroundings. Iris Saunders's twee acting, on the other hand, made me wish Flora had been taken by a real girl. Good performances from Anthony Rolfe Johnson (Quint), Janet Gail (Miss Jessel) and Janice Chapman (Mrs Grose) secured the horrid instability of Bly's household.

Winter Gardens, Bournemouth

Conductors' Competition

by GILLIAN WIDDICOMBE

In Bournemouth on Friday, in the vast blue gloom of the Winter Gardens, the John Player International Conductors' Award was won by a 26-year-old Dutchman, Gerard Oskamp. The next Rupert Foundation Competition (previously a joint venture between Stuyvesant and the London Symphony Orchestra) takes place in conjunction with the BBC next September.

Oskamp, who wins two years' work with the Bournemouth Orchestras (plus a plastic block with knitting needles in artistic suspension) is one of those feline conductors whose stickwork is a flexible extension of arms and body. His ear is imaginative, varied; his observance and alertness are remarkable. In Thursday's final, he conducted a vivid performance of Beethoven's First Symphony with the Bournemouth Sinfonietta: nicely turned and dramatically shaded.

Then, to our considerable surprise, he tackled Elgar's Cockaigne in a novel manner: rather slowly, with some finely graded quiet phrasing, and a generous, unbossy approach to pompous crescendi. A cellist in the Rotterdam Philharmonic, Oskamp appears to have had relatively little experience with professional orchestras—though he has been to Melles' summer course at Salzburg, and Swarowsky's in Vienna. His tousled appearance, and tails with bell-bottomed trousers, suggest an unusual personality.

Wyn Davis, who came second, is the efficient 24-year-old Welsh redhead who works regularly with the Welsh National Opera. Having heard him conduct a neat, tactful performance of WNO's new production of Die Entführung in Cardiff only a few weeks ago, I felt that the Bournemouth circumstances were less than adequate for him. His stickwork is small, businesslike, not expressive: which makes it harder to obtain a spontaneously good sound from a large orchestra. But with more time for rehearsal, the results could be accurate and lyrical. He conducted an honest, sometimes inert performance of Mozart's Prague symphony; and with the large orchestra, a somewhat rough account of Francesca da Rimini. Not least of the problems there was that rehearsal time was 30 minutes, and so is the duration of Francesca.

This was the second of John Player's awards (the first produced 19-year-old Simon Rattle); and the organisers have clearly taken time and trouble. But doubts may be aired about the present structure of the finals. Is it really a good idea to make the final round a concert in which only two competitors conduct for one hour each? No professional conductor would give a concert on so little rehearsal; musicians can usually sum up conductors all too quickly: and the public for competitive occasions appreciates variety.

Better, therefore, to allow more competitors into the final round, choose shorter works and decent rehearsal, and give the outright winner a proper date when he has had time to settle down.

WORLD TRADE NEWS

CROSLAND IN TOKYO

Japan asked to curb car exports until July talks

BY PETER DUMINY

TOKYO, May 10.

A NEW round of Anglo-Japanese industry talks on Japanese car exports to Britain will be held early in July, Mr. Anthony Crosland, Britain's Foreign Secretary, was told during his meetings with Japanese Ministers to-day.

In the intervening period there will be no negotiated ceiling, nor apparently any Japanese industry "forecast" or "prediction," covering car shipments to Britain. The Foreign Secretary stated, however, Britain's "very strong desire that, meanwhile, Japan will continue to exercise restraint in this very sensitive area."

Mr. Toshio Komoto, the Minister of International Trade and Industry, was believed to have been sympathetic and encouraging on this point during a 30-minute meeting with Mr. Crosland this afternoon.

It appears that the omission of the industry negotiators, represented by the Society of Motor Manufacturers and Traders and its Japanese counterpart, JAMA, to provide a formula for Japanese car exports after the January-March understanding ran out, has now been remedied as far as possible.

Mr. Crosland said later that it remains "common ground that these problems are better solved by discussions between industries," including in this not only cars, but also colour television sets, ball bearings and shipbuilding.

Misunderstanding arising out of last December's car industry talks (with the Japanese saying they were then talking about export shipments during the January-March quarter, and the SMMT believing the discussion had been about new car sales, which in practice meant a difference of 6,525 vehicles), not touched on in Mr. Crosland's talks. However, a Foreign Office official is staying behind to conduct a postmortem.

Mr. Crosland spent the greater part of the day with Mr. Kiichi Miyazawa, the Japanese Foreign Minister, whom he briefed fully on his meetings in Peking. The discussions were in English, without interpreters, and were described as lively and extremely cordial.

In the afternoon session the Foreign Ministers talked about the recovery of the British and Japanese economies with reference to trade performances and Britain's ambition to "put right the imbalance in Anglo-Japanese trade by vigorous expansion of British exports."

Korea and Southern Africa were also raised, with the Foreign Secretary appealing for strict enforcement of economic sanctions against Rhodesia.

EEC negotiations open

TOKYO, May 10.

JAPANESE AND EEC representatives have begun talks over raising European car sales in Japan, Japanese Government sources said.

Discussions at the two-day meeting are expected to centre on Japan's rigid safety and anti-pollution controls, which have allegedly hampered sales of imported cars, the sources said. Japanese officials will explain it is difficult to ease the latest controls — which were applied to imports from April 1, they added.

But Japan is expected to tell the EEC delegation it is ready in future to allow more time before applying new controls to foreign cars, the sources said. It is also likely to promise simplified import procedures, they added.

Japan is considering sending inspectors to Europe to provide certificates of approval to European cars before shipment rather than on arrival.

The resident delegation of the EEC Commission here said in a statement before the talks that Japan had already taken a positive attitude on some of its requests. These comprise removal of any procedures which could be construed as technical barriers to European car imports, the statement said.

It noted Japan's car exports to the EEC rose 50 per cent. last year to 370,000, while European exports to Japan rose only three per cent. to 26,600.

Reuter

Britain to question Soviets on failure of credit agreement

BY LORNE BARLING

THE QUESTION of the Soviet Union's failure to take up more than a fraction of the £950m. in credit offered by the U.K. to promote trade is expected to figure prominently in Anglo-Soviet trade talks starting in London to-day.

Since the signing of the agreement in February last year during Mr. Harold Wilson's visit to Moscow there has been little indication of contracts being planned, despite the dramatic improvement in Anglo-Soviet *relations*.

Britain is now anxious to maintain the improved trading position with the Soviet Union, reflected in last year's export volume. The value of exports reached £210m., almost double the figure of 1974, while imports have remained static at about £400m.

Unless the credits are taken up soon, this improvement cannot be expected to continue, and the leader of the U.K. delegation, Mr. Edmund Dell, Secretary of State for Trade, is expected to spell this out. The Soviet delegation will be led by Mr. V. A. Kirillin, deputy chairman of the Soviet council of ministers.

Mr. Dale is likely to press for early orders from U.K. companies and more flexibility in the method of buying, perhaps seeking less emphasis on buy-back agreements which are favoured by the Soviet Union to ease foreign currency difficulties.

At present the most important exports to the USSR are machinery, chemicals and manufactured goods, while imports are mainly raw materials, furs and precious stones, the latter being mainly for re-export.

The importance of chemicals was underlined yesterday by an agreement with ICI covering fields of scientific and technical development. The five-year agreement, which effectively renews earlier arrangements, specifically mentions crop protection chemicals, health products, chlorinated rubber, fibres, fertilisers and paints.

It is understood that the Russians have also expressed to ICI their interest in buying plant and equipment for the manufacture of ammonia, fertilisers, methanol, fibres and silicones.

S. Korea hits back on imports

SEOUL, May 10.

SOUTH KOREA has decided to impose curbs on imports from Japan in retaliation for another Japanese move to tighten control on silk imports, mainly from Korea and China. Leading lawmakers from the ruling Democratic Republican Party and Cabinet Ministers have decided to recall the Korean ambassador in Tokyo to hear his direct report on the silk dispute.

Commerce and Industry Minister Mr. Chang Yie-Joon, meanwhile, has ordered his aides to report to him on tariff, foreign exchange and other possible means to regulate imports from Japan, even prior to enactment of a new law.

These moves were in response to the latest Japanese initiative, this time in the Diet, to pass bills to control silk imports through such means as levying surtaxes on imports to protect Japanese silk farmers.

Korea claims that Japan promised not to take such steps last month when officials from both Governments met here and agreed on annual quotas on Korean silk shipments to Japan. Korea silk imports to Japan totalled about $250m. last year.

South Korean officials said Korea may impose countervailing duties on Japanese goods and discriminate against their local importers in allocating foreign exchange. They said such a move would be in addition to Korea's import ban on Japanese textile machines, imposed in March in an initial retaliatory step against the Japanese silk import restriction in effect since last year.

Korea contends the Japanese import restriction is unwarranted in view of its perennial trade deficit with Japan which amounted to $1.2bn. last year alone. The figure accounted for half of the total Korean trade shortfall for the year.

The officials said that a seven-member special committee is supposed to complete drafting the proposed new trade control law against Japan this week.

Minister Chang has said previously that his country planned to switch to the U.S. and Western Europe for more imports of machinery and other products. Japanese machinery exports to Korea totalled about $1bn. last year.

AP-DJ

● Air Products of Britain is to design and build two oxygen plants worth nearly $20m. for South Korea's State-run Pohang Iron and Steel company (POSCO), to be bought with a loan from the London bankers Lazard Brothers.

Shipbuilding upturn

SEOUL, May 10.

SOUTH KOREA'S shipbuilding industry shows signs that it has begun to recover from a year-long deep slump by receiving orders valued at $235m. from overseas.

The Commerce and Industry Ministry reported that Korean shipbuilders have signed contracts with Kuwaiti, Finnish, Swedish and Burmese companies for 28 ships valued at $235m. in the first four months of this year. This total accounts for 73 per cent. of this year's Government goal of $320m. compared with last year's total of $150m. in orders which were all received last December. There were no contracts in the preceding 11 months.

AP-DJ

Cut-price petrol moves

BY OUR OWN CORRESPONDENT

TOKYO, May 10.

COMPETITION will be restored outwardly at least to the Japanese oil industry this week, with the withdrawal of official "standard prices" for all products, probably on Wednesday.

However, industry sources concede the true position to be more that competition has now been successfully restricted with assistance from the Ministry of International Trade and Industry—making it "safe" for MITI to take away the price supports that have been in operation since last December 1.

Any remaining problems from price-cutters in the petrol distribution sphere should be permanently disposed of by legislation tabled by MITI in Parliament last Friday. When this becomes law, the opening of new retail outlets will be controlled by a registration system, and many independent retailers may be pushed out of business by proposed safety regulations which will make small businesses uneconomic. One such regulation will require petrol pumps to be permanently manned.

Freedom to trade is a constitutional right in Japan and MITI claims the new law will not infringe that right. The objects of the bill are described as, firstly, providing for public safety, and secondly to prevent "dumping and oil reaching the market by an irregular route." There is provision for ordering petrol stations to stop the practice of undercutting, if prices are deemed too low.

According to oil industry sources, the trouble is caused by some refineries which are prepared to supply irregular wholesalers at knock-down prices. This "no-brand" petrol then finds its way to independent retailers who are easily able to undercut the tied filling stations, now selling regular brands at about 40 cents (U.S.) a litre.

Brazil has deficit of $905m.

By Sue Branford

SAO PAULO, May 10.

WITH A trade gap in the first quarter of $905m., Brazil's hopes of rapidly improving its trade balance have got off to a disappointing start.

Figures from Cacex, the bank of Brazil's export department, put exports at $1,856m. and imports at $2,761m. The imports figure is provisional, and the final figure may be even higher. The first quarter deficit in 1975 was in fact higher, at $951m., but what is worrying is that exports this year are down by 7.8 per cent. on last year's level of $2,014m.

The leading export in the first quarter was coffee, total sales of which (including soluble) were worth $284.8m. Although most agricultural products suffered from falling prices on the world market, primary products as a whole still accounted for 52 per cent. of Brazil's overall exports, with sales worth $956.8m.

At $631.4m., manufactured goods showed a rise of 10.1 per cent. over the first quarter last year. Here the best performance was turned in by exports of vehicles and parts which have been rising rapidly over the last year or so and reached $75m. in the first quarter of this year.

An indication of the unexpected size of the first quarter deficit is given by the fact that Finance Minister Mario Henrique Simonsen predicted in January that the deficit for the whole year would only be of the order of $800m. Clearly the drastic measures imposed by the Government to reduce imports have not had as marked an effect as was anticipated.

As regards export prospects, Sr. Giulite Coutinho, president of the Association of Brazilian exports, announced recently that the association had been forced to reduce its estimate of export earnings for 1976 from $10bn. to $9.5bn., of which he put the share of manufactured goods at $4bn.

Transavia buys Airbus

Financial Times Reporter

THE DUTCH charter airline Transavia Holland had purchased from Airbus Industrie an A300 B4 aircraft, the longer range version of Europe's 250-345 seat twin jet wide-bodied airliner. As the delivery date of the B4 would not be in time to allow Transavia to operate their busy 1976 summer season, concurrently with the purchase contract, the carrier has signed a lease agreement to bridge the gap.

With the Transavia purchase, the A300's order book increases to 57 (firm orders 34, options 23). These sales have been made to seven countries—France, Germany, Korea, India, Belgium, South Africa and Holland.

Britain has a major stake in the European Airbus programme and Hawker Siddeley, among other services to the consortium, have designed and built the wings for this aircraft.

Jeddah port surcharge reduced

Shipping lines belonging to the U.K.-Jeddah and Yembo conference have won back priority berthing arrangements that were withdrawn at the middle of March, John Wyles writes. After losing their priority status the lines increased their congestion surcharge from 55.12 per cent. to *90 per cent. in anticipation of* cargo landing delays of up to 120 days. The surcharge has now been fixed at 40 per cent. and the lines hope that waiting time will be no longer than 30 days.

Nigerian steel plans

Nigeria's proposed iron and steel industry will start production in 1983, our Lagos correspondent reports. Federal Commissioner for Industries Dr. R. A. Adelege said considerable progress had been made on infrastructural developments for the Naira 1bn. plant which will have a maximum capacity of 5m. tonnes annually. The Soviet Union is co-operating actively with the Federal military Government in constructing the large mill which will help reduce Nigeria's heavy imports of steel products.

Pharmaceutical link

Pechiney Ugine Kuhlman (PUK) said its main pharmaceutical company, Pharmuka, has formed a joint subsidiary in Germany with Armour Calcitonine, a subsidiary of Greyhound of the U.S., Reuter reports. The new company, Armour-Pharmuka, capitalised at DM150,000 on a 50-50 basis, will have its headquarters in Baden-Baden. PUK and Greyhound already have a French joint subsidiary, Laboratoire Armour Montagu.

Brazil shoe claim

France is re-exporting Brazilian shoes to Britain and protection of the EEC, the Sao Paulo economic newspaper Mercatil reported.

It said Brazilian authorities in the U.K. believe the shoes, bought in the southern State of Rio Grande do Sul, are being re-exported under the Charles Jordan trademark.

Britain recently imposed a 16 per cent. surtax on shoes imported directly from Brazil. British authorities are said to be looking into the allegation and should complete their investigation within 90 days.

AMERICAN NEWS

Ford stresses successes as Reagan lead increases

BY DAVID BELL

WASHINGTON, May 10.

PRESIDENT FORD, still very much on the defensive after four successive defeats by Mr. Ronald Reagan, faces his Republican challenger again to-morrow in Nebraska.

Over the week-end the former California Governor widened his delegate lead over Mr. Ford by picking up an extra 30 delegates in Oklahoma, Louisiana and Kansas while Mr. Ford could only manage to win 17. There are, however, a substantial number of uncommitted Republican delegates who are still thought to be leaning towards the President but could now be wavering.

Mr. Ford meanwhile unveiled a new strategy while campaigning on Saturday in Nebraska. Scarcely deigning to mention Mr. Reagan, he tried instead to concentrate on his own achievements as President and praised his own success in bringing "peace and prosperity" to the United States after a difficult period in its history. But the shadow of Mr. Reagan's new-found support followed him across the State and his aides were said to be privately very concerned about the outcome.

Nebraska will thus be watched particularly closely to-morrow. It is a strongly Republican farming state with a good number of conservative-minded voters in both parties. There is no provision, however, for conservative democrats to "cross over" and vote in the Republican primary as they could in Indiana and Texas, where Mr. Ford was defeated.

The President has been fighting hard to keep the lead that he had in Nebraska until very recently but the state's farmers are dissatisfied with him. They believe that he has encouraged a cheap food policy at their expense and have not forgiven him for temporarily suspending grain sales to the Soviet Union last year. They also share the prevalent anti-Washington mood that has surfaced in other parts of the country. Mr. Ford may just stay ahead in the so-called beauty contest—the straight preference poll—but he is not expected to do well in the delegate contest which will further undermine his position.

In the past few days the Ford campaign has been running commercials featuring Sen. Barry Goldwater attacking Mr. Reagan's stand on the Panama Canal. Mr. Reagan was an ardent supporter of Sen. Goldwater when he ran for the Presidency in 1964 and these commercials have prompted hundreds of conservative Republicans to write angry letters to Mr. Goldwater. However, they could just swing the primary Mr. Ford's way.

On the Democratic side, Sen. Hubert Humphrey and Sen. Edward Kennedy are both on the ballot which allows non-candidates to be entered. Sen. Frank Church, who has made Nebraska the major test of his nascent campaign, is also a contender. But most observers believe that the stage is set for Mr. Jimmy Carter to win another primary in the State and the polls show him ahead of all the others by a fairly large margin.

The other primary to-morrow is in West Virginia, where Mr. Reagan and Mr. Ford are also contesting. The race has been a quiet one and is thought to be fairly evenly balanced. On the Democratic side there it is the only primary that Mr. Jimmy Carter has not entered out of respect for Sen. Robert Byrd, who is running his own slate of delegates with some opposition from Gov. George Wallace of Alabama.

Brown confuses Democrat race

BY JUREK MARTIN, U.S. EDITOR

WASHINGTON, May 10.

IT HAS been hard for the political analysts to keep up with the unending chain of surprises in this American election year. Conventional wisdom has been found wanting, political logic turned on its head and new rationales invented, and discarded, with startling rapidity.

Now a new face is threatening to complicate matters even further. He is Governor Jerry Brown from California who, in the words of one commentator, has risen from his mattress in Sacramento to run for the Democratic presidential nomination. It was difficult enough to get to grips with the nature of Jimmy Carter's appeal, but it was easy in comparison with that of Governor Brown.

In practice, Governor Brown seems to have left it too late. He is running in only three primaries — Maryland, Nevada and California—and overwhelming success in all of them would leave him with but a fraction of the delegates already won by Mr. Carter. Since California, with its 280 delegate prize, is no longer on the Democratic side a winner-take-all election, the mathematics are hopelessly stacked against him.

But he would not appear to be running a calculated campaign, even though he talks of seducing uncommitted delegates to his cause. The thrust of his efforts seems to be based on the premise that he is a genuine American phenomenon, something so completely out of the ordinary as to be capable of igniting mystic support across the country.

On the basis of his campaigning in Maryland of late, he does seem to be the only candidate capable of energising the young, particularly college students. He he has been attracting huge campus crowds and they have been lapping up his insouciance and casual disregard for conventional political debate.

He simply ignores standard questions on domestic and foreign policy, beyond saying that if the U.S. gets its own *moral problems right it will have* little trouble in the world at large, and that if every American has a job he will retain his dignity.

What he does argue very forcefully is that it is time a new generation was given the task of running the country. While his record as Governor of the biggest state in the union is one of general austerity, it is one which, he claims, is based on different moral and political premises.

He has been attacking Jimmy Carter, not so much because he is the front-runner but more because he represents a system of political management that he has no use for. The Brown mind seems full of a series of rhetorical and fundamental questions and he will not be drawn into conventional responses.

Many Democratic Party professionals now see him as the last chance of denying Mr. Carter the nomination. Mr. Brown has picked up impressive endorsements in Maryland, and Senator Hubert Humphrey has been notably kind in his public pronouncements towards him. On *television* yesterday Mr. Humphrey, while remaining as diplomatically delphic as possible, was moved to suggest that Mr. Brown's qualifications as Governor of the largest state might be greater than Mr. Carter's, since Georgia was hardly in the same league.

World Bank adopts new borrowing formula

By Our Own Correspondent

WASHINGTON, May 10.

THE World Bank confirmed to-day that it will soon adopt a new interest rate formula under which borrowers will be charged a spread of ½ of 1 per cent. over the cost the Bank incurs in raising money.

The new formula will take effect on July 1. For the month of June only, a new temporary lending rate of [illegible] per cent. will be in force, an increase from the current [illegible] per cent.

Under the new system, the Bank's lending rate will be reviewed quarterly and adjusted to the average weighted cost of funds borrowed by the Bank in the preceding 12 months. To the calculation a positive spread of ½ per cent. will be added to work out the interest rate that the Bank will charge borrowers on new loans granted in the ensuing quarter.

Previously the Bank's interest rate has been fixed twice a year—in January and and July—with the calculation embracing both past borrowing costs and future interest rate projections. Bank borrowers have then been charged *a spread on top, but invariably* in the [illegible] to [illegible] range.

Recovery is healthy, says Citibank

THE CURRENT U.S. economic recovery is healthy and will have a long life without the stimulus of rapidly rising Government expenditure, Citibank says. The bank's May economic letter cites buoyant first quarter results which showed that consumers led the way in the current recovery.

Gains in consumer spending have been fueled by a gain in income, an increase in available credit and a reduction in federal taxes, the letter says. "A particular feature of this recovery is a marked consumer preference for goods as opposed to services," the bank adds.

Motor vehicles and parts made up 30 per cent. of consumer spending on goods, while food and clothing *accounted for 5 per cent.* and 8 per cent. respectively. Real outlays for gas and electricity, on the other hand, rose very slowly "as consumers have attempted to adjust to sharply higher energy prices," the letter says.

AP-DJ

POLITICAL AND ECONOMIC PROBLEMS IN GRENADA

After the mongoose gang

BY DAVID RENWICK, RECENTLY IN ST. GEORGES

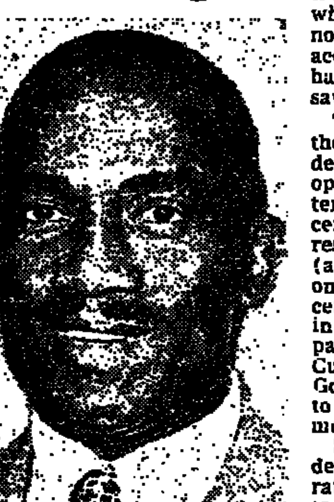
GRENADA, the only one of Britain's Caribbean Associated States to achieve full independence so far, is finding the task of restoring its economy after the pre-Independence civil unrest of 1973-74 more difficult than expected. High oil prices and the continuing instability of sterling, which Grenada, in common with other members of the Eastern Caribbean Currency Authority, uses as a reserve asset, have certainly not helped matters.

The disturbances of 1973-74 were characterised by widespread street demonstrations, a voluntary shutdown by shopkeepers and retailers in the capital, St. Georges, a strike by electricity and other workers and, most damaging of all, the closure of the port for three months by the Seamen and Waterfront Workers' Union. They were not directly connected with the achievement of independence on February 7, 1974, but had been brought on by the indignation of a number of civic, business, labour and political organisations about how Mr. Eric Matthew Gairy's Government had turned a blind eye to, and even indirectly encouraged, police and para-police brutality and a disregard for human and constitutional rights.

The troubles brought about a 15 per cent. real reduction of gross domestic product in Grenada, a drop by almost 40 per cent. of government revenue (which is heavily dependent on import duties), a reduction of tourist receipts by nearly half, and a rapid deterioration of an *already shaky balance of* payments.

The Minister of Finance, Trade and Industry, Mr. George Hosten, in his 1976 Budget speech, confessed that the state of public finance remained "critical" and that the Government would need to rely heavily on external budgetary support. Britain, which Mr. Gairy attacked bitterly at the Commonwealth Heads of Government Conference in Kingston last May and threatened to take to the United Nations on a charge of "gross economic neglect" during its colonial stewardship of the island, is giving $1,082,100 Eastern Caribbean currency (about £210,000) in current account assistance.

Grenada is also anxiously awaiting the establishment this year of the $EC40m. Fund for Emergency Programme Assistance, designed to alleviate short-term budgetary problems and help the less developed CARICOM countries (the LDCs), of which Greneda is one, pay off some of their debts to regional institutions. Grenada is behind with its payments to a number of regional common services, such as the University of the West Indies, and the West Indies Shipping Corporation. The Emergency Fund is being financed by the Governments of Britain, Canada, Trinidad and Tobago, Jamaica, Guyana, and Barbados.



Mr. Eric Gairy

Current and capital expenditure of Grenada for 1976 amounts to $EC50,362,210, which is *$EC6,331,488 more than last year.* Mr. Hosten claims that so much public spending is necessary in order to prime the pump of economic activity and boost national reconstruction. Considering that current revenue alone fell short by $EC5.6m. last year (failing to attain even the level of 1973) and that, in the Minister's own words, a "large proportion" of the capital budget did not materialise, critics of the Government contend that the 1976 figures amount to wishful thinking.

Mr. Hosten clearly hopes that new tax provisions introduced in *the Budget will help the Govern*ment to meet its extra requirements. New consumption taxes, a 5 per cent. stamp duty on all imports, higher licence fees for commercial banks and insurance companies, and an increase in the hotel tax, are among the fresh imposts this year.

The most controversial aspect of legislation associated with the Budget is the Banking (Special Deposits) Act, which forces all commercial banks in Grenada to lodge 5 per cent. of their deposit liabilities with the Accountant General and also to hand over to the Government all accounts which have remained dormant for a period of six years. The latter provision has started a minor run on the banks by those who *have neither deposited* into, nor withdrawn from, their accounts for six years but who have no desire to see their savings disappear.

The deposit requirement, though similar in nature to the deposits schemes already being operated by those CARICOM territories with independent central banks, has been bitterly resented by the banks in Grenada (all of which are foreign owned) on the grounds that there is no central banking system as such in existence in Grenada which is part of the Eastern Caribbean Currency Board. Moreover, the Government has, so far, refused to agree to pay interest on the money.

Some banks have already decided to lower their interest rates on customers deposits and to raise their charges on loans in order to recover what they will lose on the 5 per cent. of their liabilities earning nothing on deposit with the Treasury.

The new taxation measures will inevitably raise the cost of living in Grenada, which is already among the highest in CARICOM. Inflation was between 20 to 25 per cent. last year and is not expected to be significantly different this year. Prime Mini*ster Gairy, who has taken to* calling himself "Dr." on the basis of an honorary PhD, appears unworried that the high cost of living, economic stagnation, or any other economic or political problems may prevent his Grenada United Labour Party (GULP) from winning next year's election. Grenada's 15-member House of Representatives is almost wholly dominated by his party: it has 14 seats to the Grenada National Party's one.

Mr. Gairy's confidence is reflected in the way he responded to the recommendations of the *Duffus Commission of Enquiry* into the Breakdown of Law and Order and Police Brutality in Grenada. The appointment of the commission was forced on the Government by the same group of interests responsible for the demonstrations and shutdowns and which came to be known as the "Organisation of 22," after the number of entities it represented. The chairman was Mr. Curtis Stuart, a respected white collar trade union leader. The commission, headed by a former Jamaican Chief Justice, Sir Herbert Duffus, reported in February last year and its main recommendations were as follows:

1—The disbanding of the plain clothes, para-police aides, known in Grenada as the mongoose gang, who had personally been recruited by Mr. Gairy to assist the regular police in the fight against "subversion," but who had succeeded in themselves virtually controlling the police and inflicting their own brand of unorthodox and violent "law" on opponents of the Government, particularly on members of the radical, Left-wing party, the New Jewel Movement.

2—A thorough reorganisation of the police force, with special reference to the recruitment of a non-Grenadian as Police Commissioner, and the removal from the force of Assistant Superintendent Innocent Belmar, a policeman noted for his brutal methods.

3—An enquiry into the conduct of two magistrates, Irving I. Duncan, and Mr. L[illegible] St. Louis, with a view to determining whether they should be removed from their jobs.

4—A similar inquiry into the conduct of Mr. Nolan Jacobs, the Solicitor-General, in order to decide whether he, too, should be removed.

5—An investigation into the losses sustained by businessmen during an extensive period of looting by members of the mongoose gang, in order that they might be compensated by the Government.

So far, Mr. Gairy has ignored the last three recommendations. The two magistrates are still functioning and Mr. Jacobs has been made Permanent Secretary in the Office of the Prime Minister.

Assistant Superintendent Belmar resigned from the police force on his own volition and was promptly made an executive member of Mr. Gairy's union, the Grenada Manual and Mental Workers' Union.

The mongoose gang has ostensibly been disbanded, but many of its members, whose criminal records the Duffus Commission described in detail, have been re-absorbed into the Defence Force, formed after independence and which numbers about 500 men, or into the Grenada Volunteer Constabulary, a [illegible] of the police service.

OVERSEAS NEWS

Cabinet reshuffle in Iraq

... Iraqi ministers were relieved ...eir posts yesterday in a major ...net reshuffle, according to ... Iraqi news agency, Reuter ...rts from Baghdad. Three ...rnment Ministers lost their ...s and were appointed ambas...rs and three Ministers of ... (junior ministers) were also ...ved.

...e dismissed Ministers were ...an Ayub Sabri (Transport), ... Abdullah Al-Khodeir (unity ...rs), and Dr. Rashid Al-Rifai ...lic works and housing). ...am Ibrahim Al-Shawi, Minis... of State for Foreign Affairs, ... Aziz Sharif, Minister of State ... Finance, also lost their jobs. ...ed Al-Jebouri was relieved of ... post as Minister of State in ...ge of Kurdish self-government ... was appointed head of the ...e of the deputy chairman of ... Revolutionary Council, with ... rank of Minister.

...esident Bakr appointed Mr. ...an Al-Hamdani, Minister of ...ning, Mr. Hassan Al-Amri ...ister of Internal Trade and ... Flaih Hassan Al-Jassem, ...ister of Industry and Minerals. ... Al-Jassem succeeded Mr. ... Al-Jazrawi who was ...ointed Minister of Public ...ks and Housing.

... Riad Ibrahim Hussein was ...ointed Minister of Health in ...cession to Dr. Izzat Mustafa, ... was appointed Minister of ...our and Social Affairs, and ... Anwar Abdel-Kader was ...ointed Minister of Municipal ... Rural Affairs in succession ... Mr. Abdel-Sattar Taher ...rif, who was appointed Minis... of Transport.

...r. Abdel-Satta Al-Jawari was ...ointed Minister of Religious ...owments, a new Cabinet post.

...SW elections

... Eric Willis, New South Wales ...mier, yesterday conceded de...at the elections held on May ...eports Kenneth Randall from ...berra. The result was delayed ...he closeness of the voting in ... seats.

...ith counting virtually com...ed, the Labour Party will have ...eats in the State's new legis...e Assembly; Sir Eric Willis' ...ral Party will have 30; the ...ntry Party 18, and there will ...one Independent who is likely ...upport Labour on most issues. ... election breaks a spell of 11 ...rs' government by Liberal...ntry party coalitions in NSW ... represents a dramatic re...sal of voter attitudes since last ...ember.

...yptian plan

...E EGYPTIAN Government is ...ut to adopt Western-inspired ...orm of its socialistic economy, ...-DJ reports from Cairo. The ...orms should bring long-range ...efit but an immediate result ...uld be a worsening of infla...n. The economic reforms were ...wn up by the International ...netary Fund and are designed ...lleviate Egypt's financial prob...s, sources said.

Angola Premier gives pledge on nationalisation

BY JANE BERGEROL — LUANDA, May 10.

IN A major policy review over the week-end, the Angolan Prime Minister pledged Angola must be "master of its resources" of oil, diamonds, iron ore and of "major factories and companies."

Mr. Lopo de Nascimeno said: "Swapping the Portuguese or American bourgeois for an *Angolan bourgeois would only* be Angolanising exploitation of the pleople." Angola's resources of mineral wealth and major firms "must be collectively owned by the people."

He added, however, "We will not leave undone anything which can be done now, neither will we start upon anything which cannot be done yet." Observers are interpreting the speech as a reaffirmation of the MPLA's determination to build a socialist Angola firmly but gradually.

Paralysis

Mr. Lopo de Nascimeno also spoke out toughly against current labour unrest in Luanda, cited by Mr. Nito Alves, the Interior Minister, as the reason for postponing local Luanda elections from this week to the end of June. The Prime Minister *said* workers' wage demands must take into account the current "virtual paralysis" of the economy and the major task is to regain prewar production levels before moving on to a phase of further expansion.

The MPLA leader's speech reviewed a range of current problems from chronic manpower shortages to basic labour problems in the Luanda industrial area, and more general problems of distribution, transport and shortages in equipment, spare parts and raw materials.

But he unequivocally pledged a Socialist path for Angola and *spoke of* the lessons of other African countries who had chosen "the capitalist path. There we see what is euphemistically called growth without development."

Meanwhile, in another important week-end policy statement, Commander Iko Carreira, the Angolan Defence Minister, spoke of the importance of Angola's armed forces "as a defence force in Africa." It was now one of the best equipped in West Africa and the Angolan Navy would "soon be in a position to control Angola's territorial waters and defend its coastline."

The Air Force he said "is a supersonic force" and important "in an African context." He also warned of the "continuing danger" of South Africa which, he charged, is aiding remaining groups of FNLA and UNITA in *Malanje and Bie Provinces*, in central Angola. These armed groups are still causing deaths of Angolan Army soldiers.

On Angola's aid to liberation movements in Namibia (S.W. Africa), Rhodesia and South Africa, the *Minister said* the policy was to help them by giving them bases, helping train cadres and supplying financial and material assistance.

He did not believe intervention by Angola's Armed Forces to be necessary: "Well organised and well supported, they should be able to carry on the struggle by themselves. But obviously if the conditions change we are ready to analyse the situation and take appropriate decisions."

The Defence Minister's statement on South African aid to armed groups still active in Angola follows charges by President Agostinho Neto last week that incursions are still being *made across Angola's southern* and northern borders.

Co-ordination

Commander Carreira hinted at possible continuing support for *the FNLA and UNITA groups* by neighbouring countries Zaire and Zambia when he said: "The position of neighbouring countries in relation to these groups is still not very clear. They may have the support of other countries."

Every effort appears to be being made to co-ordinate policy on frontier policing with the Zaire and Zambian Governments, reflected in the low key tone of both the Presidents' and Defence *Ministers' statements over the* past few days.

An accord with Zaire on joint frontier co-operation was reached after the February Brazzaville summit brought Presidents Neto and Mobutu together for the first time for many years. The Defence Minister said MPLA forces are now policing frontier posts along the Zambian frontier, too, as well as along the border with Namibia, where he said, they took up *positions* on April 1 and 2 following the South African withdrawal.

Christians in Lebanon mountain offensive

BY IHSAN HIJAZI — BEIRUT, May 10.

THE OUTBREAK of large-scale fighting here and in the mountains has presented Mr. Elias Sarkis, Lebanon's President-elect, with his first challenge. He spent much of his time to-day holding contacts to check the deterioration.

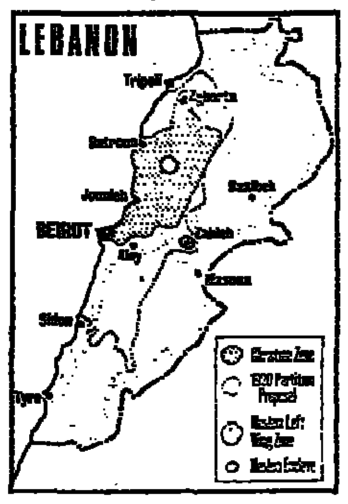
Palestinian guerilla and Left-wing forces have been mobilised throughout Lebanon to check what has been described as a massive offensive by Right-wing Christian troops to recapture mountain villages which they had lost in earlier clashes.

Four brigades of Christian troops backed by tanks, field artillery and reportedly helicopters, have attacked the *village of Aintourah, in Left-*wing hands, lying on the hills in the eastern Maten district. From there, the Right-wing elements, according to military sources, intend to capture other villages and then begin the descent *into* the *Bekaa* Valley to break the siege which Left-wing forces had established around the predominantly Christian town of Zahle.

This was the same route Left-wingers had used at the end of March and early April in their thrust into the Christian strongholds in the mountain side. The Left-wing offensive was short-circuited by Syrian intervention which forced them to discontinue the attack.

Wafa, the news agency of the Palestine Liberation Organisation, hinted that there was collusion between Right-wing elements and certain Arab quarters, which was taken as an allusion to Syria.

The guerilla leadership had issued a statement warning Right-wingers that their action was a violation of the truce which had been arranged in Damascus last April 19. The *leadership announced it* was taking the "deterrent measures" to stop the Right-wing offensives.



Informed sources said this could only mean that the main guerilla group, El-Fatah, was *getting ready to throw its* forces back into the battle. It had taken them out under Syrian pressure last month.

Fighting has spread to other mountain areas and the capital. There were heavy artillery exchanges between the town of Aley, which is Druze-dominated, and the nearby Christian village of Kahhalah on the main *Beirut-Damascus highway*.

Shelling was also exchanged between the Moslem and Christian districts of the capital. Left-wing and militant commando groups had warned *that if the fighting in the mountains* did not stop, they would resume hostilities in Beirut.

The new tension and added Left-wing opposition to Mr. Sarkis' election to the Presidency have hindered the process of normalisation, which had been expected after a new Head of State was chosen by Parliament on Saturday.

Unidentified persons set fire to the family residence of Par*liament Speaker Kamel al* Assad at the town of Al Taybeh near the border with Israel yesterday, while others blew up the country home of Deputy Kazem Al *Khalil* in the southern Tyre district.

This was regarded as a retaliation to their participation in the Parliamentary session which elected Mr. Sarkis.

In the northern town of Tripoli, several persons were killed or wounded in a clash between members of rival factions of the Baath party. One group supports Syria and the *other Iraq*. Seven PLA soldiers were also killed when their truck was caught in the cross fire.

Right-wing elements are keeping silent about their reported offensive in the mountains. Sources close to them say that recapturing the mountain villages is of extreme strategic importance because from there left-wingers could threaten the entire right-wing *positions in the mountain* areas.

Call for Islamic solidarity

BY METIN MUNIR — ISTANBUL, May 10.

THE Islamic Conference of Foreign Ministers opened here to-day to attempt to bring about a degree of solidarity among Islamic states.

The conference will be dominated by inter-Arab problems and the Middle East question. It brings together foreign ministers or their deputies from 40 Islamic states and the Palestinian Liberation Organisation.

The first two days will be spent on drafting a work programme followed by three days of ministerial debates at Istanbul's new glass-and-concrete culture palace. On Friday, the last day of the conference, a communique will be issued.

There are many firsts about this conference, the seventh since 1969. It is the first time it mees in a secular state which not only recognises Israel but has not given the Palestinian Liberation Organisation permission to open a representation. Turkey is not a *de jure* member of the conference, although announcing to-day the adoption of legislative steps to become so.

The meeting comes at a time when many disputes ranging from the Sahara to the Gulf deeply divide the Arab world.

Syria and Iraq, long standing *ideological and political foes*, are now more bitterly embroiled in hostility because of Baghdad's opposition to President Hafeez Assad's involvement in the Lebanon. Syria is also going through a chilly period of its relations with Cairo because of the American-sponsored interim peace agreement between Egypt and Israel.

There are also considerable problems in North Africa. Col. Khaddafy of Libya and President Sadat of Egypt are involved in a bitter propaganda war. Libya's relations with Tunisia are also tense as a result of the recent alleged Tripoli-backed attempt to assassinate Tunisian President Bourguiba and their plans for union are little more than a bad memory.

Farther west, Algeria is at loggerheads with Morocco and Mauritania against which it is supporting the Polisario front liberation movement in the mineral-rich Sahara recently *evacuated* by *Spain*.

In the near east, Pakistan and Afghanistan are in conflict over border tribes and in the oil-rich Gulf Iran and the small sheikdoms are disputing whether the waterway should be called "Persian" or "Arab."

The conference is expected to serve as a useful forum for bilateral negotiations as well as providing opportunity for plenary discussion. The Gulf *States and Iran, for instance, are* expected to come together to co-ordinate Gulf security matters.

Turkey, Egypt, Pakistan, and the Gulf States will attempt to bring about some sort of solidarity among the 40 states which represent nearly 400 million people. Informed Egyptian sources said that Cairo would try to bring concerted attitudes to the recent disturbances in the Israel occupied West Bank and bring about a condemnation of Israel.

Pakistan is reported to be planning to sponsor a high-level mediation team to sort out the Lebanese crisis and the Sahara dispute.

Islamic foreign ministers are also expected to discuss joint *Islamic ventures like the Islamic* Development Fund, the establishment of an Islamic news agency and broadcasting corporation and the progress of the Islamic Bank. The question of Moslem minorities in Cyprus and the Philippines will also be debated. Mr. Rauf Denktash, the Turkish-Cypriot leader, is expected to address the conference.

The conference is the most lavish effort on Turkey's part to date to make friends and influence people in the Arab and non-aligned world. Ankara hopes to rally support against Greece in the disputes about Cyprus and the Aegian Sea and to improve *its economic ties with the Islamic* states as a result of the conference.

Israeli paper forecasts exhaustion of reserves

BY L. DANIEL — TEL AVIV, May 10.

ISRAEL RADIO this morning broadcast what it claimed was a secret working paper prepared by Finance Ministry economists forecasting mass unemployment and the exhaustion of Israel's foreign currency reserves within 18 months.

Ministry circles, while not denying that there is a draft of this kind, said it was one of hundreds and had been prepared by one junior economist.

The working paper says that if Israel does not get the $500m. of U.S. aid for the fifth quarter of the American fiscal year (provided for in the Foreign Aid Bill vetoed by President Ford), unemployment next year might reach 120,000, *or over* 10 per cent. of the labour force. This compared with the present over-employment, with labour exchanges unable to fill all requests for workers in spite of the employment in Israel of 50,000 Arabs from the occupied territories.

It also warns that foreign currency reserves are likely to fall to $380m. (equivalent to only two weeks' imports) within a year, from the *present level* of just under $1,000m., and to nil within 18 months, which would force Israel to take short-term loans at ever increasing rates of interest which she might even find difficult to raise.

The trend is attributed not only to the likely loss of $500m. of U.S. aid, but to the draft Budget for 1976/7, which the paper describes as unrealistic and inflationary since it will pump the equivalent of £6,040m. into the economy (equal to 10 per cent. of the Budget). This would be double the deficit financing provided for in the Budget as tabled.

The paper also doubts the Budget's income forecasts and says it does not provide for urgently needed structural changes in the *economy*—the shift from services to industry, particularly export industries.

This dire forecast, while officially being disowned by the Finance Ministry, may, of course, have been leaked to strengthen the Government's hand in the current round of wage negotiations which have already resulted in a number of strikes and "sanctions."

AP-DJ reports from Tel Aviv: Members *of the Israeli parlia*mentary finance committee have backed an agreement signed between the Israeli Government and unidentified U.S. interests for the development of a new oil field in occupied Sinai.

Officials at the meeting said signs of oil were good, but it was still far from certain that oil was there. They added that an association with foreign interests was esential for access to capital, know-how and tools.

The identity of the U.S. associates is a secret.

EUROPEAN NEWS

Earthquake toll tops 830 as rain hits rescue effort

BY ANTHONY ROBINSON ROME, May 10.

A MASSIVE vaccination programme is now under way in the earthquake-stricken Friuli region of north east Italy, as the official death toll climbed above 830, with fears of hundreds more dead still lying under the ruins of 19 villages and hundreds of scattered farms and cottages.

Rescue operations have been hampered by heavy rain and a continuing series of earth tremors, causing further damage to walls and buildings left standing by the main quakes on Thursday night.

The Government has agreed that the principal administrative burden of reconstruction should be left to the regional and local authorities themselves, with the central government bureaucracy remaining outside actual reconstruction work and limiting itself to the provision of adequate financial assistance.

This is a decision taken in the light both of the recognised spirit of recovery and determination expressed by the local population, but also in the light of the bitter experience learned in the aftermath of the Sicilian landslip in 1968. This led to the wastage of hundreds of millions of pounds of relief aid through corruption, administrative incompetence, and disagreement over reconsruction plans. Eight years after the disaster, inhabitants of the five affected villages are still living in temporary tin huts.

This time the local population is determined that they will rebuild their own houses and factories.

An idea of the dimensions of the task before them can be seen from official figures which estimate that 10,000 apartments were destroyed and 7,500 severely damaged. An estimated 150,000 people are now without a roof over their heads.

Reuter adds from Geneva: Italian newspapers to-day criticised Government organisation of the relief operation.

On the spot, it seemed clear that, in view of the size of the task, all that was possible was being done, and some confusion was inevitable. But the Italian Communist Party appeared to launch a campaign of criticism against the Government over the relief operation, bringing the disaster into the political arena as parties prepare for general elections next month.

Headlines in the Party newspaper Unita were "Relief organisation still inadequate," and a front-page editorial said official attempts to play down the drama of the situation were "useless and damaging."

Naples political crisis

BY OUR OWN CORRESPONDENT ROME, May 10.

NAPLES, which for eight months has been governed by a minority Communist-Socialist city council led by Communist mayor Maurizio Valenzi, is now in crisis, following a non-confidence vote engineered this weekend by a coalition of Christian Democrats, Monarchists and neo-Fascists.

The crisis, which leaves the largest city in southern Italy virtually ungoverned except for day-to-day administration, follows the failure of early attempts to forge a political agreement which would allow the substitution of the Left-wing administration by a more broadly-based coalition.

But in the pre-electoral situation which has now arisen, the divided local Christian Democrats have preferred a tactical alliance with the neo-Fascists and Monarchists which leaves them free to fight the general election campaign locally on an anti-Communist platform. This is a reflection of their fear that the degree of popular approval enjoyed by the Left-wing city council will result in substantial election gains by the Left on what has been considered a reservoir of Right-wing and CD votes.

Meanwhile, Sig. Umberto Agnelli, managing director of Fiat, is shortly expected to confirm officially his decision to stand as a Christian Democrat senatorial candidate in Turin. This prospect has provoked much *controversy. Members of the* Agnelli family have been under pressure to stand for Parliament, and the Republican Party hopes to enlist Fiat chairman Giovanni Agnelli as an independent on its list.

The decision of his 40-year-old younger brother Umberto to stand for the Christian Democrats, however, has dashed the Republican Party's hopes of securing a candidate who, they hoped, would characterise the party as a principal pole of attraction for the more enlightened part of the managerial class.

Meanwhile, the Communist Party has decided to include among its parliamentary candidates men with administrative experience in the regions such as Guido Fanti, president of the Emilia Romagna region since 1970 and Lucio Libertini, vice-president of the Piedmont region since the regional elections last year.

● The straitjacket of protective measures erected last week to defend the lira appears to have successfully changed market expectations as to the future course of the currency. This is reflected in a further 3.9 per cent. recovery against the dollar at the fixing in Milan to-day, where the dollar was quoted at fractionally under 834 lire, compared with 867 on Friday and 916 on Wednesday, prior to the import deposit and other measures.

Giscard warns on Italy

BY DAVID BELL WASHINGTON, May 10.

IN INTERVIEWS in all the major U.S. news magazines President Giscard d'Estaing to-day warns the U.S. against interfering in internal Italian political affairs, but says that "to implement the programme of the left would bring economic disorders."

Asked by two reporters from Time Magazine about the effect that an Italian Government with Communist participation might have on NATO, President Giscard is quoted as saying "Communists in power will conform to their doctrine which obviously does not endorse free *enterprise.. participation in* NATO or the construction of a united Europe. Even if the Communists' language seems more moderate to-day their basic principles remain the same."

But despite this the Preseident said it would be a "mistake" for the U.S. to try and intervene although it was "normal" for Washington to make known the consequences that a change in the internal Italian political situation would have on its own policies.

On the future of the Common Market the French President told Newsweek that Europe is faced with a political crisis in Italy and a "difficult economic situation" in Europe. "It is not reasonable to expect decisions of a political nature when some EEC members are faced with problems of critical proportions. What we must do is to ensure *that European institutions continue* to function and talk among ourselves to determine what can be done both to achieve progress on the European front and to help the countries in trouble."

Progress towards the Party summit

By Leslie Colitt BERLIN, May 10.

THE POLITICAL issues dividing the Soviets and their East European allies from the more independent Communists of Western Europe, Yugoslavia and Romania are said to have been largely resolved at last week's meeting in East Berlin of the commission of 28 Parties drafting a conference document for the parties' planned summit meeting.

Disagreements in several areas had delayed agreement to go ahead with the conference, scheduled for East Berlin, for well over a year. The conference will bring Soviet party leader Leonid Brezhnev to the East German capital as well as the Yugoslav Communists who have refused over the past 19 years to attend such a gathering.

According to East European Communists here, the outcome marks a "considerable advance" for the cause of the independents in their ideological dispute with Moscow. "The Russians were faced with either accepting a document dealing with non-controversial topics or the alternative of getting no conference at all," notes one East European. Yugoslavia's chief delegate to the preparatory sessions, Mr. Aleksander Orlickov, said on his return to Belgrade that "the main job has been done."

The conference, which could take place late next month according to the Easterners, would now deal only with the vague themes of European peace, security and co-operation as set forth at last year's Helsinki Conference.

German printers

BONN, May 10.

THE WEST GERMAN Printers' Union will end its 11-day-old nationwide strike at 0600 hours local time (0500 GMT) to-morrow but will continue to stop selected newspapers, the national strike committee announced.

The union, which represents 80,000 of the 140,000 printers in the industry, called off the general stoppage without reaching any agreement with the publishers on its claim for a wages increase averaging over 9 per cent.

The Printers' Union later issued a statement explaining that its selective strike action would permit a number of smaller newspapers to publish again.

It said that if the employers again enforced a lock-out they would be responsible for interfering with Press freedom.

Reuter

Strong swing against the Government in Sweden

BY WILLIAM DULLFORCE STOCKHOLM, May 10.

SWEDEN'S governing Social Democrat Party has suffered a dramatic four per cent. drop in the latest opinion poll, bringing it under the 40 per cent. level for the first time in its 44-year rule. *The poll, conducted in* April just after the departure from Sweden of film director Ingmar Bergman and at the height of the anti-tax campaign by Miss Astrid Lindgren, the children's author, gave the Social Democrats the support of only 38.5 per cent. of the voters.

Five months before the September General Election the three non-Socialist parties collected the sympathies of 54 per cent. of the poll, their highest rating since the 1932 election and a three per cent. gain since March. Mr. Thorbjoern Falldin, the Centre Party leader, said the poll reflected a "protest against the Social Democrat power concentration" and showed that Swedes wanted a change.

His party, which had been slipping in earlier polls, took the whole of the non-Socialists' three per cent. gain, recovering to a 22.5 per cent. rating with the Moderates (conservatives) on 19.5 per cent. and the Liberals on 12 per cent.

The Prime Minister, Mr. Olof Palme, *admitting concern*, linked the poll result with the Bergman and Lindgren taxation cases, which had "unleashed a spring flood of reactionary propaganda." The Moderates' scare tactics had pushed voters frightened by "red dictatorship" into the ranks of the Centre Party. The Social Democrats would not lose their heads but would concentrate their campaign on the key issues of employment, taxes and family policy, Mr. Palme said.

SIFO, the Swedish Institute of Public Opinion Research, which conducted the poll, reckons on a two per cent. margin of error in its figures. It is reputed for its accuracy and correctly forecast the dead-heat between the left-wing and non-socialist blocs in the 1973 election.

Carlist accusation

BY ROGER MATTHEWS MADRID, May 10.

THE SPANISH Government has been accused of condoning the actions of a group of over 50 right-wing gunmen who shot dead one man and seriously injured three others during an attempt by an estimated 5,000 members of the Carlist party to hold a rally on a mountain top in northern Spain yesterday. No arrests have yet been made.

Strikes and demonstrations broke out in the northern province of Navarre to-day in protest at the shootings. Princess *Irene of the Netherlands, wife of* Prince Carlos Hugo who heads the Carlist Party, visited the injured in hospital this morning. Her husband, who entered Spain illegally to attend Sunday's rally, is believed to have slipped back across the frontier into France.

A spokesman for the Carlist Party said that the police were well aware that an extreme right-wing group, led by Prince Sixto Enrique, younger brother of Prince Carlos Hugo, was planning to disrupt the rally but did nothing to stop it.

He said that the gunmen remained at the top of the mountain, where the Carlists hold their annual rally, for over 20 minutes after opening fire on the 5,000 marchers and then drove off without any interference by police.

Over 2,000 people staged a silent march through the nearby town of Estella this morning where bars, restaurants and shops remained shut as a sign of protest.

In Madrid police confirmed that a student had been shot and wounded by the security forces during a demonstration in the capital last night while in San Sebastian it was learned that a member of the Guardia Civil had been hurt in a clash with gunmen outside a nearby prison.

The serious clash at the Carlist rally emphasises the danger of political polarisation in Spain. *The mainstream of the party* favours the establishment of a Socialist monarchy under Prince Carlos Hugo of Bourbon Parma, a distant cousin of King Juan Carlos. The prince, who has studied law in Canada and France and has a degree in economics, from Oxford University, has also visited Cuba and China and worked for a while as a miner in northern Spain.

IMF plans for gold discussed by BIS

By Guy Hawtin BASLE, May 10.

GOLD featured high on th agenda of the central banker meeting here to-day. The mee ing, at the Bank for Inte national Settlements, is unde stood to have thoroughly ex plored the implications of th planned IMF gold auctions.

European banking circle *appear agreed that Centra* Bank support for the gold sale will be needed.

The central bankers are als understood to have reviewe the Italians' drastic measure to defend the lira—measure which have so far enjoye considerable success. Th theme of the central banker discussions is understood t have covered the technic aspects of a new short-ter facility.

The pound is also believed t have come under scrutiny, an here the British have stron allies in the Bundesbank. D Otmar Emminger, vice-pre dent of the Bundesbank, h stated his view that the poun is now undervalued and th Britain has good prospects o recovery following the Gover ment's agreement with th Trades Union Congress.

Some concern has also be felt about the continu strength of the Swiss fran although the beneficial effec of the Italian measures on th lira and the slight improv ment in sterling should ha eased some *of the pressure.*

African summit in Paris

By Robert Mauthner PARIS, May 10.

PRESIDENT Giscard d'Estai of France opened a two-d Franco - African summ meeting here to-day with appeal to all countries " leave Africa to the African The only kind of compe tion which was in the intere of Africa, he told some heads of African Governme and Ministers, was that lea ing to the economic, social an cultural development of th continent.

The conference is the thir of its kind to be organised b France, following simila meetings in Paris in 1973, an in Bangui, Central Africa Republic, last year. But part cipation this time is no restricted to French-speakin *African countries. Som* former Portuguese colonies such as Guinea Bissau, the Cape Verde Islands and Sao Tome, as well as Mauritius, a Commonwealth member, and the Seychelles, a British colony due to become inde pendent next month, are als taking part.

President Giscard stressed in his opening statement tha he would like the conferenc to devote itself to economi issues and proposed four mai topics of discussion: inflatio and monetary questions, raw materials, the North-Sout Dialogue and co-operatio between Europe and Africa.

But political issues, such a the Rhodesian situatio *Angola and the whole futu* development of Souther Africa are almost certain t be raised at some stage durin the conference.

French polls

By Our Own Correspondent PARIS, May 10.

THE FRENCH Left, which d so well in the cantonal el tions at the beginning of Marc failed to consolidate its succe at an important parliamenta by-election at the week-end Tours, won M. Jean Royer, former Minister and a cand date at the last Presidenti election in 1974.

M. Royer, although standi as an independent, was s ported by the Governme coalition parties and polled per cent. of the votes, mu more than twice as much as t Socialist runner-up. No dou the fact that *M. Royer* is al the mayor of Tours and is t champion of small shopkeepe and *craftsmen*, played important part in his victor But even when this is tak into account, the Socialists a Communists must be extreme disappointed at th performance.

OPEC aid fun

By Our Own Correspondent PARIS, May 1

FINANCE Ministers from 13 member nations of OPE grouping the world's major exporters, met here to-d amid strict security arran ments to work out the fi details for setting up a $800 aid fund for develop nations.

The fund was set up in pr ciple at a meeting of OPE Ministers here in Janu though it fell short by $200 of the original target of $1b

EUROPEAN NEWS

Cyprus a likely topic for Tito talks in Athens

BY OUR OWN CORRESPONDENT ATHENS, May 10.

[TH]E improvement of bilateral [rel]ations between Greece and [Yu]goslavia and broader Balkan [co]-operation will be the main [iss]ues to be discussed between [Gr]eek leaders and Yugoslav [Pr]esident Tito, who arrived here [to]day for a four-day official [vis]it.

President Tito's visit is in re[tur]n for that paid by Greek [Pr]emier Constantine Karamanlis [to] Belgrade last June. Mr. Kara[m]anlis, who also paid official [vis]its to Romania and Bulgaria, [is] championing economic multi[lat]eral co-operation in the [Ba]lkans to set the basis for a [po]litical detente in the penin[su]la.

In this context, President Tito [an]d Premier Karamanlis, who [be]gin their talks to-morrow, are [ex]pected to discuss the Cyprus [pr]oblem, which together with [ter]ritorial disputes in the [Ae]gean, is straining relations [be]tween Greece and Turkey. [Pr]esident Tito, who plans to visit [An]kara later this year, may be [as]ked to play a mediating role, [be]ing the oldest Balkan leader.

President Tito and Premier [K]aramanlis are expected to avoid [th]e "Macedonian issue" which stems from Yugoslavia's claim that Macedonians in Greece should be granted minority rights.

In March, the two countries signed a new protocol, the fifth in their long-term bilateral trade agreement, under which trade exchanges are expected to reach $165m., as against $117.5m. in 1975. The abolition of the bilateral trade agreement and its replacement with trade exchanges in convertible currency is expected to be discussed during President Tito's visit.

Projects in which the two countries are interested include the creation of an international free zone in the area of the Axios river estuary to the west of Salonica, considered vital to the success of the proposed scheme to link Salonica with Europe's Rhine-Main-Danube canal system via the Axios, Vardar and Morava rivers.

Other projects include an oil pipeline between the north Aegean (where Greece has found oil) and Yugoslavia; the building of a second railway line between the Yugoslav town of Nis and the Greco-Yugoslav border, and joint industrial ventures.

Decision on Danish election expected

By Hilary Barnes

COPENHAGEN, May 10.

DENMARK'S THIRD election in as many years may be announced this week if Prime Minister Anker Joergensen, who leads a minority Social Democratic Government, takes the advice of trade union leaders and a considerable body of party opinion.

The decision will probably come to-morrow or on Wednesday. To-morrow the Government meets the leaders of four opposition parties with which it concluded an economic policy compromise last autumn. If the Government feels there is *no longer any prospect of* reaching broad agreement on an incomes policy for 1977-78 it is thought here the Government will choose an election to clear the air.

On Wednesday there is an economic policy debate, and although the Government is assured of a majority, the Prime Minister would probably choose the debate as the occasion for announcing an election. Favoured date for an election, if there is to be one this summer, is June 15.

Several factors have brought election speculation to a peak in the last few days, not least *the most recent Gallup Poll* which shows that the Government party could add six or *seven seats to the 53 is now* has.

MALTA'S FORTHCOMING GENERAL ELECTIONS

A hard match for Mintoff

BY GODFREY GRIMA IN MALTA

MALTA'S LABOUR Government, now coming to the end of its five year term, is shortly expected to call general elections and *although polling may not take* place before the end of summer, the political debate dividing the island's 200,000 voters is becoming sharper every day. The ballot will decide whether Malta continues to be developed under the tight control of Premier Dom Mintoff's Socialist administration or whether it is handed over to the conservative Nationalists *headed by Dr. George Borg* Olivier. They have faced each other on the political stage for *over 25 years and both parties* command fairly well matched numerical strength.

Premier Mintoff (like Britain itself) is determined to close down British military bases on *the island by 1980 and to set up* a self-reliant economy capable of doing without the £M30m. (about £38m. sterling) earned from the British military presence. The Nationalist Party is not opposed to gaining economic independence, having itself achieved political independence from Britain in 1964. But it disapproves of a complete closure of the bases which provide valuable revenue and a *defence link with Nato.* The Nationalists would like to prolong Britain's military presence, *but failing this would make over*tures to Nato for an alternative.

Mr. Mintoff claims that under *his leadership Malta has pros*pered and that the Maltese are beginning to earn their keep. The Nationalists vehemently and *at every opportunity try to dis*credit the assertions, however emphatically Mr. Mintoff reiterates that the seven year development plan launched in 1973 is still on course. How in effect has Malta fared? Judging by official statistics the economy appears to be moving in the *right direction.* The balance of payments, showing a £M24.4m. surplus on current account in 1975, seems to have escaped the ill effects of a world wide recession. Export earnings and invest*ment income from abroad, at* £M159.3m. were enough to meet the total imports bill, a credit *to the excellent performance of* manufacturing industry, tourism and the shipyards.

Maltese factories in 1975 turned out £M100m. worth of semi-manufactures, textiles, *clothing, electrical and electronic* components, pushing exports up to £M63.9m., an increase of £M35m. since 1973. The volume of exports last year rose by 11 per cent. and the export price index by 6 per cent. Malta's main trading partner is still the EEC, with China and Arab countries helping Mr. Mintoff build the economy, far down the list of buyers.

Malta Drydocks' fortunes were reversed following a thorough reorganisation in 1973. This year the yard expects to make a profit *of £M1m.,* not much, but a far cry from the days when Governments were obliged to support *Malta Drydocks with* an annual £M3m. to keep it open. Having won a reputation for staying strike free Malta Drydocks now is also attracting shipbuilding orders. China in February announced that it had placed an order with the yard for the construction of two 5,700 ton tankers costing £M7m. whilst Egypt is considering ordering six middle sized tug boats in Malta. The re-opening *of the Suez Canal,* a reputation for completing repairs on schedule, and warm relations *with China and the Arabs helped* Malta Drydocks collect £M11.6m. worth of shipbuilding and ship-repair orders in 1975. Tourism, too, is bolstering the economy.

Maltese investments abroad, largely to the U.K., continued at a steady pace during the first three months of the year, coming to £M1m., according to official figures released by the Central Bank.

This was more or less equivalent to the level of capital exports registered during last year's comparative period which suggests that overseas investments from here have not been seriously affected by the decline of sterling on the inter*national exchange markets.*

The Maltese are believed to have £M20m. invested abroad, *largely in the U.K.* Since the Government in 1973 relaxed its exchange control regulations to *allow a limited outflow of* capital, investments have built up from £M3.4m. in 1973 to £M5.3m.

Last year the 335,000 tourists who visited Malta contributed *£M27.7m. gross to the island's* fortunes.

The Government's presence is increasingly strong in economic activity. On the industrial estates Government is represented by at least 25 factories. They include lame ducks taken over from *private ownership,* those built for the Government by the Chinese and the North Koreans, and others in which the parastatal Development Corporation holds majority shareholding. Plant built by the Chinese and now being run by Maltese workers is turning out chocolate, rattan goods, footwear, carpets, and decorative glass. A new textiles mill employing 900 men is scheduled to open shortly. The North Koreans are building a hand tools and an engineering project. Plant taken over from *private shareholders before going* to the wall is producing cotton yarn, plumbing fittings, and *printed material. No plans exist* ever to invite private participation in these controlled businesses, but a workers' participation policy is intended eventually to hand the facilities to the employees there.

Malta Drydocks, although managed by an elected workers' *committee, is in fact firmly con*trolled from the Prime Minister's office, and no doubt all the better *for it. The Government has set up* its own airline, Air Malta, which is extending its activities by setting up holiday camps in disused military camps.

In the fishing industry Government is present with five trawlers whose catch last year equalled that of private fishermen. Government has announced its intentions to create 500 State farms. They will be worked by a new labour service recruited to reduce unemployment.

Some important sectors previously run by private firms including commercial banks, broadcasting, and telecommunications *have been completely nationalised.* The majority were operated by foreign owners.

While the Maltese acknowledge that inflation has been kept down to 6 per cent. a year, that housing shortages have been ended, slums pulled down, and social benefits improved, many are worried by *rising unemployment. It is here* that the seven year development plan is off course.

The Nationalists say they will create 37,000 new jobs if elected. Their plans include inviting another 10,000 foreigners to settle permanently on the island to improve the investment climate in order to attract industry, to denationalise business now under Government control, and to turn Malta into a financial centre and generally to liberalise the economy. The party's younger members assure voters that the *laissez faire* attitude which brought the Nationalists administration down five years ago is *a thing of the past. After a tough* time in the opposition the Nationalists appear steeled for *a fierce battle which is certain* to be closely fought.

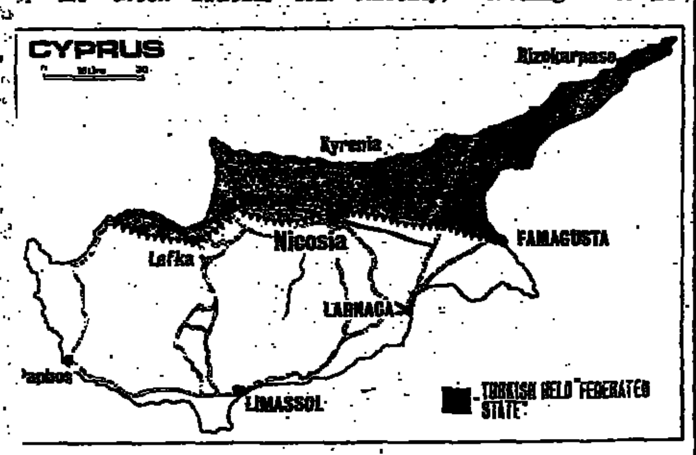
Communities at opposite poles

BY OUR OWN CORRESPONDENT NICOSIA, May 10.

[T]HE Greek Cypriot and Turkish [C]ypriot plans for a settlement, [no]w made public, show that the [tw]o sides disagree on almost [ev]erything—except on the name [of] their island state "the Federal [R]epublic of Cyprus."

The views of the two communi[ti]es are so diametrically opposed [th]at the chances of reconciling [th]em in the foreseeable future [a]re remote indeed.

The Greek Cypriots propose a [s]trong central government which [w]ould have control over foreign [a]ffairs, defence, finance, telecom*[m]unications,* ports and airports. [E]ach region would, however, [e]njoy local government, have its *[o]wn police and courts and run its* [c]ooperative and other institutions [a]s well as its cultural and educa*[t]ional affairs.* The Turks demand [i]n effect the establishment of a [c]onfederation. There would be *[t]wo separate states one* in the [n]orth for the Turkish national [c]ommunity and one in the south [fo]r the Greek national com-



[m]unity, which would be loosely [lin]ked together, with the Federal [Go]vernment *exercising only* [l]imited and specified powers [an]d functions."

The Greeks say that the [inf]luence of the two communities [und]er the federal structure should [be] proportionate to the ratio of [the]ir numerical strength. The [Gr]eeks are in a majority of about *[fou]r to one. The Turks argue* [tha]t irrespective of the numbers [the] Turkish community should be [an] equal partner in the proposed [fe]deral republic.

The Greeks want to stick as *[mu]ch as possible* to the 1960 con[stit]ution which established the [isl]and's independence. Their [big]gest concession is to accept [,] indirectly, the principle of a [bi]regional federation, a long [sta]nding Turkish demand. In [oth]er words, they accept that the [Tu]rks would live separately and [ad]minister their own area.

At the same time the Greeks [str]ess that each citizen of the [rep]ublic should enjoy the right [of] free movement throughout the [ter]ritory of the republic, and the [rig]ht to work and reside in any [pla]ce of his choice. If accepted, [the] proposal would mean that [no]ne of the 200,000 Greek [Cy]priots displaced from the north [at] the time of the 1974 Turkish [inv]asion and now living as [ref]ugees, would be free to go [bac]k to their homes and pro[per]ties, if they so wished.

The Turks propose that each [of] the two states would ensure [res]pect for human rights within [its] respective territory. They [str]ess that the effort to normalise [rel]ations should be "subject to [the] security needs of the two [sta]tes." A Greek Cypriot might [he]nce be barred from entering the Turkish zone on "security" grounds.

The Greeks, in their 13-page document recall United Nations resolutions on Cyprus. These called, among other things, for a withdrawal of all foreign troops from the republic, the return of the refugees to their homes, and an end to the colonisation of the island by settlers from the Turkish mainland.

The Turks, in their 22-page plan, say nothing about a withdrawal of foreign forces or the return of refugees. They only speak of "proprietary rights and claims" being settled by mutual agreement, in conjunction with the question of compensation.

Consistent with their desire to maintain Cyprus as a unitary state as far as possible and to exclude partition, the Greeks say they want to preserve the "economic unity" of the republic. Matters such as taxation, currency, exchange control, banking, customs and international trade should be in the *hands of the Federal Government.*

The Turks, on the other hand, say each state should have its own *budget, make its own* financial arrangements, and even have the right to receive aid or *grants from outside.* Telecommunications and the operation of Nicosia International Airport *could be given to the* Federal Government, "but this should not preclude each state from having its own air and sea communications with its respective mother country, meaning Turkey and Greece.

The Greeks have proposed that Turkish Cypriot administration should extend to 20 per cent. of the territory of the republic, which means the Turks handing back about half the territory they have been holding since the invasion. The Greeks have carefully avoided specifying the area to remain under Turkish control. They have also failed to produce any maps.

The Turks have been even more vague. They have refused to put forward any proposal at all on the matter. They merely said that when the Greek side makes "reasonable proposals" they would be willing to begin negotiations "with a view to adjusting the line between the two federated states." This evidently excvludes any major territorial concessions. That has prompted President Makarios to state recently that there would be no point in resuming the negotiations since the Turkish failure to present proposals on the territorial question precluded a "package deal" approach and left no hope for a possible successful outcome.

Violent clashes in Frankfurt

FRANKFURT, May 10.

[HU]NDREDS of demonstrators [cla]shed with police here to-day [dur]ing a *protest over the death* [of] the urban guerilla leader [Ul]rike Meinhof.

Police *said a number of* their [me]n, as well as demonstrators, [we]re injured in the fighting and *[ma]ny arrests were made.*

The demonstration began with [a m]arch through central Frank[fur]t *which erupted* in violence [wh]en police tried to break it up.

Frau Meinhof hanged herself *[in] her Stuttgart jail cell yester*[day], local justice officials said.

Authorities feared her death could spark violent protests by *sympathisers* with her guerilla group, the Baader-Meinhof gang, named after Frau Meinhof and its co-founder Andreas Baader.

The police used batons and water cannon in trying to disperse 600 to 1,000 demonstrators who fought back with their fists and threw petrol bombs.

The protesters also smashed windows in shops and at the U.S. Cultural Centre, which has always been a prime target of Left-wing demonstrators in Frankfurt.

HOME NEWS

NEB reaches agreement with top companies

BY ADRIAN HAMILTON

THE National Enterprise Board has now reached agreement on its working relationship with British Leyland, Herbert and Feranti, Lord Ryder, the Board's chairman, revealed yesterday.

He told the General Federation of Trade Unions in Bournemouth that similar arrangements to those worked out with Rolls-Royce earlier in the year had now been concluded with the three other main companies in the NEB portfolio.

He also revealed that he and other members of NEB had been disappointed at the funding allocated to the Board by the public expenditure White Paper last February.

But he argued that he could live with the financing allowed for the present and expressed confidence that more could be obtained once the NEB had sought out and brought forward profitable and worthwhile projects which "merited support."

Conclusion of arrangements setting out the reporting role of its main subsidiary companies comes after a prolonged period of discussion.

The discussions appear to have gone without the public argument which accompanied the Rolls-Royce agreement and the results are thought to be broadly similar.

Under the agreements, NEB's overall responsibility for the financial performance of the companies is defined, with regular reporting procedures. NEB's approval is also required for major investments.

The managements of the companies, however, are specifically given freedom to run their day-to-day affairs without interference and to continue their traditional contacts with government departments.

Special clauses

In Ferranti's case, this is important because of its particular role—as was the case with Rolls-Royce—in defence contracts. Ferranti has the added problem of a 50 per cent. outside shareholding and its agreement with the NEB may well contain special clauses protecting the interests of the other shareholders.

It is not clear, however, whether the other companies have gained the specific right of direct access to Ministers which Sir Kenneth Keith of Rolls-Royce so ardently fought for. In the case of Leyland and Herbert, at least, it may not have been felt necessary.

On the question of NEB's funding from Government, yesterday's speech marks the first occasion on which Lord Ryder has made known his view that the amounts allocated were less than expected.

At this time, the issue is probably not a very live one. Despite some efforts, the NEB has yet to find any major opportunity to take a stake in profitable enterprises on the market and it is doubtful whether it needs large extra sums so early in the game, particularly as it has had some success in developing financing relations with the city institutions.

But the White Paper's suggestion that financing of the NEB be limited to £1bn. spread across five years, rather than £1bn. each year as the Labour Party had originally called for has unquestionably raised a potential restriction to its future development which could provide serious problems should the NEB expand rapidly.

Elsewhere in his speech, Lord Ryder argued strongly that Britain's industrial prospects had been unnecessarily downgraded by commentators and that the latest pay agreement with unions, while providing problems of differentials, was nonetheless being accompanied by a greater and more responsible participation by unions in the success of their companies.

Progress in setting up the new consultative machinery in British Leyland, he declared, had "far exceeded the expectations of myself and the members of the Ryder team."

New price code outlines to-day

BY ELINOR GOODMAN, CONSUMER AFFAIRS CORRESPONDENT

MRS. SHIRLEY WILLIAMS, Secretary for Prices is expected today to give the Confederation of British Industry and the Retail Consortium a broad outline of her plans for modifying the existing price code after July.

Among changes likely to be discussed are the introduction of some new provision for inflation accounting, an improvement in the investment allowance scheme and the possibility of reducing the productivity deduction which prevents companies passing on more than 20 per cent. of their increased labour costs in higher prices.

The two meetings—the CBI and the retailers are to see the Minister separately—are the first to be held with Mrs. Williams to discuss the future of price controls since the Chancellor's confirmation on Wednesday that both profit margin and cost controls are to continue after the summer.

Last week, Sir Campbell Adamson, director-general of the CBI, made it clear that he regarded the issue of price controls as fully negotiable despite the Chancellor's statement. The CBI would not be satisfied with anything less than major changes to the code, he said.

Last month, both the CBI and the Retail Consortium put forward proposals for radically altering the structure of price controls. Both organisations wanted controls based solely on net margin ceilings.

For manufacturers, this would have meant the end of the system whereby they have to justify individual price increases to the Price Commission on the grounds of increased costs, while for retailers it would have meant the abolition of gross margin control.

Both sets of proposals were accompanied by suggestions as to how to modify the system of margin control, but the Chancellor's statement on Wednesday means that the main plank of both organisations' proposals has been swept away.

Both the CBI and the Retail Consortium are thus to demand an explanation to-day why the Government refused to accept their case for concentrating price controls on net margins. They are expected to tell Mrs. Williams that, until a satisfactory explanation has been given on this point, they are unable to ask their members to formally approve amended proposals on changes to the Code.

Such amended proposals from the CBI would probably include demands for the inclusion of some provision for inflation accounting, an improvement in the safeguards against low profits in the code and an abolition of the productivity deduction.

While the Department of Prices is also believed to be considering changes along these lines, it is unlikely to be prepared to go as far as the CBI will ask.

A further sticking point is likely to be the question of changing the basis of the unit cost used for calculating a price increase.

One of the main planks of industry's amended proposals is expected to be the need to give companies the option of calculating price rises on the basis of rises in input costs rather than output costs.

● NEWS ANALYSIS—COMPUTERS

A calculating mystery

BY CHRISTOPHER LORENZ

THE KEY question about yesterday's sale of GEC's entire 18.2 per cent. holding in International Computers concerns justification.

What is GEC's justification in selling its long-standing stake, and at a price below its widely rumoured target?

What is the logic in the taxpayer stumping up £7m. more, not to inject development finance to ICL, as so often in the past, but to give the National Enterprise Board over 13 per cent. more of ICL's shares, in addition to the 10.49 per cent. which would in any case have been transferred to it from the Department of Industry? Is this a sensible use of the NEB's resources? And what is Plessey's motive in raising its stake, yet remaining in the position of a minority shareholder?

The answer to each of these questions is controversial, though the parties in each case would argue them strongly. Whether ICL, and Britain's position on the world computer market, will benefit from the NEB's involvement remains to be seen.

At the beginning of this year, Plessey was the largest single shareholder, with 20.15 per cent., followed by GEC with 19.25 per cent. and the Government with 10.49 per cent.

Apart from a small increase over the intervening years by Plessey (2.17 per cent.) and GEC (1.27 per cent.), these were exactly the same stakes as in the spring of 1968, when ICL was formed.

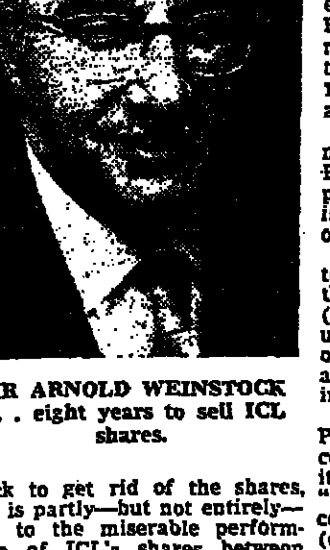
Component

The two component parts of ICL then were International Computers and Tabulators and English Electric computer division. Within the former were the acquired or merged computer interests of Vickers, GEC, EMI and Ferranti, while the latter embraced the earlier Leo Computers and Marconi operations.

The only major changes since 1968 have been the sale (to the market, though some shares went to IOS) of the 5 per cent. Ferranti holding, and that of Vickers, which was more than double.

GEC's motive for selling has been officially declared as part of its policy of not holding minority stakes in companies over which it does not have management control.

If it has taken eight years (since GEC acquired English Electric) for Sir Arnold Weinstock to get rid of the shares, this is partly—but not entirely—due to the miserable performance of ICL's shares between 1972 and last year.



SIR ARNOLD WEINSTOCK . . . eight years to sell ICL shares.

On the other hand, last week's closing price was 146p, suggesting that the market would have only accepted a lower figure.

To the NEB, an enlarged stake in ICL was extremely attractive. Lord Ryder is known to have wanted a high-flyer to add to his portfolio of (either now or in the very recent past) problem-best companies.

After years of intermittent argument that a 10.49 stake was too small in relation to the £53m.-plus of Government development aid since 1968, the Left-wing of the Labour Party will presumably support the deal, though some will continue to press for complete rationalisation.

From the centre may come the argument that a greater State stake was justified in case ICL's profits boom should come to an end, and in case it should need greater support—something the management has insisted will not be required.

The NEB will not inherit the Government's right to nominate a director, but it will be consulted in the choice of new nominees over the next month or so.

The most intriguing justification of all is Plessey's. Some of its supporters might claim it has now achieved much of what it failed to do in 1968, when it lo[st] the battle for English Electri[c] to GEC—bringing the Briti[sh] computer industry within i[ts] orbit.

But ICL has steadfastly re[-]sisted any suggestion that [it] should come under any co[m]pany's influence—buying i[ts] electronic components fro[m] Plessey, for example, and la[st] night said it "expected all pa[r]ties to continue to respect th[e] 1968 principle" that it has "fu[ll] autonomy in all its policies."

As for the NEB, ICL's chai[r]man Mr. Tom Hudson said th[e] Board had asserted "qui[te] positively" that it would n[ot] interfere with the Managemen[t] of ICL.

The company would not wa[nt] to report to both the Board an[d] the Department of Industr[y] (which is entitled to repor[ts] under the terms of repaymen[t] of its £40m. aid) he added. [He] also said he was "not a believ[er] in state ownership."

Even more than components, Plessey's basic business is tele[-]communications, and last nigh[t] it reaffirmed its belief in th[e] "convergence" of data pr[o]cessing and telecommunicatio[ns] (data communications is th[e] fastest growing sector of bo[th] industries, and computer tec[h]niques are being increasing[ly] used in telecommunications).

A long-established, but do[r]mant, joint Plessey-ICL compan[y] called Data Communicatio[n] Sciences could "become th[e] actual vehicle for work in th[is] field," though talks are st[ill] going on, according to Plessey.

It said the substantial grow[th] in data communications su[g]gested that "new opportuniti[es] will emerge" and added—with [a] hint for ICL, perhaps—that "[we] believe the Government is of t[he] same opinion."

Southern Organs wound up

SOUTHERN Organs (Inter[na]tional), one of a group of co[m]panies which crashed after t[he] directors disappeared, was co[m]pulsorily wound up in the Hi[gh] Cour in London yesterday.

The order was made by [Mr.] Justice Slade on a petition [of] Major Advertising Group, cre[di]tors claiming a trade debt [of] £7,440. No other creditors w[ere] listed as supporting or oppos[ing] the petition.

William Hill licence renewed by court

BY MICHAEL THOMPSON-NOEL

AN ATTEMPT by a Liverpool hotel proprietor to oppose the renewal of the block betting permit of William Hill (Football) on the grounds that the company was not "fit and proper" to possess a permit for its shops failed yesterday.

A Betting Licensing Committee at Camberwell Green Magistrates' Court, South London, dismissed the objection and granted the company's application.

Mr. William Rees Davies, QC, counsel for Mr. Roy Stephens, a 44-year-old Liverpool punter and hotel owner, told the committee that Mr. Stephens had a long-running dispute with William Hill over an ITV-7 bet made in September, 1974. Mr. Stephens claimed to have won £100,000.

Mr. Rees Davies said that William Hill (Football)—a subsidiary of the William Hill Organisation which is in turn a subsidiary of Sears Holdings—was not a fit and proper company to possess a betting permit

This is because in the case of Mr. Stephens' bet it had taken an "arrogant attitude" towards one of its own rules—Rule 32—which stated that in a dispute which could not be mutually resolved, should be referred to an arbitrator acceptable to both parties.

William Hill had offered to take the dispute to Tattersalls committee, said Mr. Rees Davies, but he said that the committee was quite unacceptable. It was feudal in its outlook, did not permit legal representation and did not permit appeal.

One possibility, he said, was to write to the president of the Law Society, asking him to suggest an independent arbitrator.

The licensing committee was told that Mr. Stephens' cash register receipt had been misdated in the Liverpool betting shop where he placed his bet; that the betting slip had not been microfilmed; and that the slip had been lost.

There was therefore no remaining physical evidence of the names of Mr. Stephens' selections, which were said to have won at odds of 6m. to 1.

Cadbury director's £75,000 'handshake'

By Keith Lewis

A FORMER director of Cadbury Schweppes, the confectionery, food, drinks and household products group, has been paid £75,800 in compensation for having his service agreement, which had four years left to run, terminated early.

Mr. T. R. Auchincloss, resigned last November to go into business on his own. The decision followed the completion of an assignment in Australia.

The profits of Cadbury Schweppes Australasia fell back sharply in 1974, from £5.3m. to £2.9m. Mr. Auchincloss was appointed chief executive of the Australian company at the end of that year. In 1975, profits recovered to £5.8m.

Mr. Auchincloss first joined the Board of Cadbury Schweppes in 1972, following the acquisition of Jeyes, a group of which he was chairman and chief executive.

Compensation payments of this size are not unknown. Last September, Mr. Graham Dowson relinquished his post as chief executive of the Rank Organisation and received £150,000 as a result.

A month later Mr. J. A. Payne, executive chairman of FMC, the meat wholesaler, was removed from office following a special resolution at the annual meeting and collected £205,000.

More recently, a settlement has been reached on the compensation terms for Mr. John Barber, former managing director of British Leyland. No official figure has been divulged, though it is thought to be above what Mr. Auchincloss received.

Hire purchase credit up 13% in quarter

BY ANTHONY HARRIS

A FURTHER sharp increase in hire purchase credit extended by finance houses in March to £121m., brought the increase in business in the first quarter to 13 per cent.

This reflects mainly purchases of cars (including second-hand cars) and suggests that, while sales of cars for business fleets have been a major factor in improving new car registrations in recent months, the private buyer is also returning to the market.

This revival, which started with the relaxation of hire purchase controls in December, gathered force in March.

Advances through retailers, on the other hand, fell again in March from the sharp peak achieved in January, with the unusually successful reduced-price sales season, to stand at £159m., only £4m. higher than before controls were relaxed.

This probably reflected a decline in sales of goods bearing the higher rates of VAT ahead of the Budget, since predictions of a cut—accurate in the event—were widely published during March. It is therefore likely that the growth shown in the January and February figures will have been resumed in April.

However, revised figures for total retail sales in March show that the underlying growth of demand is still very slack. The new volume index, at 105.5, is a full point lower than the provisional estimate pushed earlier. It represents a fall in volume of 1¼ per cent. from February—almost entirely due to a sharp drop in sales by durable goods shops—and no less than 4¼ per cent. from the sharp peak recorded in January, during the unusually successful winter sales.

Since real disposable incomes have been falling for some months and a further fall of 1-1½ per cent. is expected during the next year, little general buoyancy in retail sales can be expected, although some decline in the very high level of personal saving is generally forecast.

HP CREDIT

	New credit extended by: Finance houses £m.	Retailers £m	Total debt outstanding £m.	Retail volume (revised) Total (1970=100)	Durable goods shops
1974	1,037	1,480	2,517	109.9	123
1975 1st q	286	425	2,265	111.3	129
2nd q	309	450	2,266	108.9	130
3rd q	303	445	2,257	105.5	111
4th q	303	466	2,320	105.8	112
1976 1st q	343	495	2,297	107.3	118
1975 Oct.	100	153	2,261	104.8	108
Nov.	94	157	2,289	105.2	111
Dec.	109	156	2,320	107.0	117
1976 Jan.	111	171	2,299	109.8	125
Feb.	111	165	2,296	107.7	121
Mar.	121	159	2,297	105.5	112
% growth quarterly	13	6	—	1.4	5

New Craig bid for Ulster compromise

BY OUR BELFAST CORRESPONDENT

A RENEWED ATTEMPT to thrash out a compromise formula for a developed Government in Ulster has been disclosed by Mr. William Craig, leader of the Vanguard Unionist Party.

He said he would be making immediate approaches to all the other parties

The Vanguard attempt to bring politicians together is the first since the Convention folded in early March. Its report, steamrollered through by the Protestant majority, demanded a return to majority rule: but it was turned down by the British Government.

Mr. Craig, who received the support of his party conference this week-end, said he believed the continuation of indefinite direct rule would have disastrous consequences on the constitutional, security and economic front.

All efforts should be made to seek as wide an agreement as possible between the parties, so that the consent of the Government could be obtained to establish speedily a Parliament of Northern Ireland based on the principles of the British parliamentary system.

Mr. Gerry Fitt, leader of the Social Democratic and Labour Party, welcomed the move towards fresh discussions, as did the moderate Alliance Party.

The Unionist coalition, which held the majority of seats in the Convention, is expected to discuss Mr. Craig's request later this week.

However, one party in the coalition, the Democratic Unionists, led by the Rev. Ian Paisley, said the elected representatives of Northern Ireland had already come up with a solution which could command the most widespread acceptance.

Other elements in the coalition are likely to dismiss the initiative because of their distrust of Mr. Craig.

More banks opened in Co-op stores

By Michael Blanden

THE CO-OPERATIVE Bank is to establish about 500 "Handybanks" over the next 18 months in a development of its "in-store" banking service.

The move aims at providing a better service to existing customers and attracting new business. The Co-op, which last year became a member of the London Clearing House, expects that over half its new customers will come from other banks.

Underlining its competitive position, the bank said yesterday that it had "no plans" to reintroduce charges for personal customers who remain in credit, in contrast with the moves towards higher personal charges by Barclays and other big clearing banks.

The new development announced yesterday is the first full-scale promotion of the Co-op Bank's links with the retail societies.

As a result, it is switching the emphasis of its growth plans from developing new bank branches—where it has nearly doubled the number to 59 in the past five years—towards the retail banking market.

The bank plans to upgrade 500 of the best-placed retail store outlets to become "Handybanks." These will offer cheque cashing and money deposit services which it hopes will meet over 90 per cent. of the normal needs of Co-op bank customers, with access to its other services.

At the same time, another 3,000 Co-op shops will provide a straightforward cheque cashing service called "Cash-a-cheque."

The services will be available during shopping hours, including Saturdays. The in-store operations will be staffed by the retail societies rather than by the bank, apparently to avoid possible problems with bank unions over working hours.

The development programme will start in Birmingham next week with nine Handybanks and 150 Cash-a-cheque points. It is to be extended gradually to the rest of the country in the next 18 months.

U.K. neglects solar energy research, say scientists

BY DAVID FISHLOCK, SCIENCE EDITOR

A PLEA for a national commitment to a long-term research programme on solar energy, backed by funds totalling £2m. this year rising to £20m. by 1986, has been made by a group of British scientists.

Thirty-nine scientists have contributed to a study on solar energy and they claim that Britain is being "left behind" internationally by the U.S., Japan, France and West Germany, which are all spending significantly more than the £0.5m. per year currently being spent in the U.K.

They back up their plea with a report published yesterday by the U.K. section of the International Solar Energy Society, supporting the contention, as expressed by Professor John Page of Leeds University, its chairman that "the industrial potential is really very great."

The study, whose conclusions are likely to differ significantly from those of a Department of Energy report finds that a significant proportion of the energy used in Britain for space heating and low-grade industrial heat could be produced from the sun.

It suggests that Britain may be able to obtain 10-20 per cent. of its long-term energy requirements from solar sources.

Solar Energy: A U.K. assessment. International Solar Energy Society, Royal Institution, 21, Albemarle Street, London W1X 4BS; £10.

Men and Matters, Page 16

Leyland recruiting 250 workers for Coventry

BY PETER CARTWRIGHT, MIDLANDS CORRESPONDENT

LEYLAND CARS' need to catch up on lost output of 32,000 vehicles through strikes since the beginning of March is reflected in recruitment of another 250 workers at the Triumph car plant at Coventry.

The plant is being transformed into a central supply area for axles, transmissions and engines for Rover-Triumph, and car production is being phased out.

In slimming to meet the smaller demand after the 1973 fuel crisis, Leyland Cars shed 28,000 employees. Now it finds that besides needing key replacement personnel, it wants several hundred other workers to achieve the 22,000-a-week programme set it by the end of August, in order to attract investment from the National Enterprise Board.

The Austin Morris section has said it is looking for about 600 more employees at Cowley, Oxford, and 300 at Longbridge, Birmingham. The Rover plant at Solihull has been advertising for another 200.

World Value of the Pound

The table below gives the latest available rates of exchange for the pound against various currencies on May 10, 1976. In some cases rates are nominal. Market rates are the average of buying and selling rates except where they are shown to be otherwise. In some cases market rates have been calculated from those of foreign currencies to which they are tied.

Exchange in the U.K. and most of the countries listed is officially controlled and the rates shown should not be taken as being applicable to any particular transaction without reference to an authorised dealer.

Abbreviations: (S) member of the sterl[ing] area other than Scheduled Territory; [(k)] Scheduled Territory; (o) official rate, (F) f[ree] rate; (T) tourist rate; (n.c.) non-commerc[ial] rate; (n.a.) not available; (A) approximate r[ate] no direct quotation available; (sg) selling ra[te] (bg) buying rate; (nom.) nominal; (ex) exchange certificate rate; (P) based on U[.S.] dollar parities and going sterling-dollar ra[te] (Bk) bankers' rate; (Bas) basic rate; (c) commercial rate; (cn) convertible rate; (f) financial rate.

Sharp fluctuations have been seen lat[ely] in the foreign exchange market. Rates in [the] table below are not in all cases closing rates [on] the dates shown.

Place and Local Unit		Value of £ Sterling
Afars & Issas	Djibouti Franc	301(sg)
Afghanistan	Afghani	104 n.
Albania	Lek	(O) 4.10(A) (T) 23.25(A)
Algeria	Dinar	7.42
Andorra	French Franc	8.56¼
	Spanish peseta	123.50
Angola	Angola Escudo	54.60
Antigua (S)	E. Caribbean	4.80
Argentina	Ar. Peso	(O) 286.48
Australia (S)	Australian $	1.4750
Austria	Schilling	33.40
Azores	Portug. Escudo	54.60
Bahamas (S)	Ba. Dollar	1.8421
Bangladesh (S)	Taka	29.95(sg)
Bahrein (S)	Dinar	0.722
Balearic Is.	Spa. Peseta	123.50
Barbados (S)	Barbados $	3.6780
Belgium	B. Franc	(cm) 71.20 (fn) 75.05
Belize	B$	4.0
Benin	C.F.A. Franc	428.8
Bermuda (S)	Bda. $	1.8310
Bhutan	Indian Rupee	16.8350
Bolivia	Bolivian Peso	36.62
Botswana (S)	S. A. Rand	1.5957
Brazil	Cruzeiro	19.92
Br Solomon Is (S)	Australian $	1.4750
Br Virgin Is (S)	U.S. $	1.8510
Brunei (S)	Brunei $	4.7776
Bulgaria	Lev	1.7908
Burma	Kyat	12.80
Burundi	Burundi Franc	165.475
Cambodia	Riel	n.a.
Cameroun Rp	C.F.A. Franc	428⅛
Canada	Canadian $	1.7925
Canary Is.	Spanish Peseta	123.50
Cape Verde Is	Cape V Escudo	54.60
Cayman Is. (S)	Cay. I. $	1.5325
Cent. Af. Rp.	C.F.A. Franc	428⅛
Chad	C.F.A. Franc	428⅛
Chile	O. Peso	(Bk) 22.53
China	Renminbi Yuan	3.5981
Colombia	C. Peso	(P) 62.75
Comoro Is'ds	C.F.A. Franc	428⅛
Congo (B'ille)	C.F.A. Franc	428⅛
Costa Rica	Colon	15.747
Cuba	Cuban Peso	1.51182
Cyprus (S)	Cyprus £	0.7561
Czechoslov'ka	Koruna	(com) 10.50 (n.c.) 20.90 (T) 18.28
Denmark	Danish Krone	11.03¾
Dominica (S)	E. Caribbean $	4.80
Domin. Rep.	Dominican Peso	1.8310
Ecuador	Sucre	(O) 45.54 (F) 49.27
Egypt	Egyptian £	(O) 0.7522 (T) 1.2412
Ethiopia	Ethiopian $	(P) 3.7945
Eq'l Guinea	Peseta	123.50
Falkland Is. (S)	Falkland Is. £	1.0
Faro Is.	Danish Krone	11.03¾
Fiji Is. (S)	Fiji $	1.6320
Finland	Markka	7.05
France	French Franc	8.56¼
Fr. C'tyin Af.	C.F.A. Franc	428⅛
Fr. Guiana	Local Franc	8.56¼
Fr. Pac. Is.	C.F.P. Franc	155.662
Gabon	C.F.A. Franc	428⅛
Gambia (S)	Dalasi	4
Germany (East)	Ostmark	6 (A)

Place and Local Unit		Value of £ Sterling
Germany West	Deutschemark	4.65¾
Ghana (S)	Cedi	2.0844 (Sg)
Gibraltar (K)	Gibraltar £	1.00
Gilbert & Ellice Is. (S)	Aust. Dollar	1.4750
Greece	Drachma	66.4515
Greenland	Danish Kroner	11.03¾
Grenada (S)	E. Caribbean $	4.80
Guadaloupe	Local Franc	8.56¼
Guam	U.S. $	1.8310
Guatemala	Quetzal	1.8310
Guinea Rep.	Sily	n.a.
Guinea Bissau	♥♥	♥♥
Guyana (S)	Guyanese $	4.68703
Haiti	Gourde	9.156
Honduras Rep.	Lempira	3.662
Hong Kong (S)	H.K. $	8.9525
Hungary	Forint	(com) 80.90 (nonT) 40.45
Iceland (S)	I. Krona	332.75
India (S)	Ind. Rupee	16.5087
Indonesia	Rupiah	759.665
Iran	Rial	(A) 126
Iraq	Iraq Dinar	0.5386
Irish Rep K	Irish £	1.00
Israel	Israel £	14.4982
Italy	Lira	1.624½
Ivory Coast	C.F.A. Franc	428⅛
Jamaica (S)	Jamaica Dollar	1.66375
Japan	Yen	547½
Jordan (S)	Jdn. Dinar	0.595 sg
Kenya (S)	Ken. Shilling	15.3045
Korea Nth	Won	n.a. (g)
Korea (Sth)	Won	882.62
Kuwait (S)	Kuwait Dinar	0.530(sg)
Laos	Kip	n.a.
Lebanon	Lebanese £	n.a.
Lesotho	S. African Rand	1.5957
Liberia	Liberian $	1.8310
Libya	Libyan Dinar	(P) 0.5420
Liecht'nstn	Swiss Franc	4.543¼
Luxembourg	Lux Franc	71.20
Macao	Pataca	12.7525
Madeira	Portug'se Escud.	54.60
Malagasy Rp.	MG Franc	428⅛
Malawi (S)	Kwacha	1.6668
Malaysia (S)	Malaysian $	4.7245
Maldive Is. (S)	Mal Rupee	n.a.
Mali Rp.	Mali Franc	856¼
Malta (S)	Maltese £	0.7755
Martinique	Local Franc	8.56¼
Mauritania	Ouguiya	◆
Mauritius (S)	M. Rupee	12.5516
Mexico	Mexican Peso	22.86
Miquelon	C.F.A. Franc	428⅛
Monaco	French Franc	8.56¼
Mongolia	Tugrik	(O) n.a. (g) (T) n.a.
Montserrat	E. Caribbean	4.80
Morocco	Dirham	7.97 sg
Mozambique	Moz. Escudo	54.60
Nauru Is.	Aust. Dollar	1.4750
Nepal	Nepalese Rupee	24.40
Netherland	Guilder	4.95
Neth. Ant'les	Antillian Guild	3.2775
New Hebrides	Franc	156.38
	Austl. Dollar	1.4750
N. Zealand (S)	N. Z. Dollar	1.8292
Nicaragua	Cordoba	12.90
Niger Rp.	C.F.A. Franc	428⅛
Nigeria (S)	Naira	1.1590(sg)
Norway	Nrwg. Krone	10.00
Oman Sultanate of (S)	Rial Omani	0.630
Pakistan	Pkst. Rupee	17.95(sg)
Panama	Balboa	1.8310
Panama Canal Zone	U.S. $	1.8310
Papua N.G. (S)	Kina	1.4750

Place and Local Unit		Value of £ Sterling
Paraguay	Guarani	230.4
P'pl's D. Rp. of Yemen (S)	S. Yemen Dinar	A 0.6
Peru	Sol	exc A 82.
Philippines	Ph. Peso	13.6
Pitcairn Is. (S)	£ Sterling	—
	New Zealand $	1.82
Poland	Zloty	(B) 55.6 (1.5)
Portugal	Port. Escudo	54.6
Port Timor	Timor Escudo	54.6
Principe Isle	♥♥	♥♥
Puerto Rico	U.S. $	1.83
Qatar (S)	Qatar Ryal	7.20
Reunion, Ile de la	French Franc	8.56
Rhodesia	Pound *	n.a.
Romania	Leu	(cm) [illegible] (n/c)(T) 22
Rwanda	Rwanda Franc	170.
St. Christopher (S)	E. Caribbean $	4.80
St. Helena (S)	£ Sterling	—
St. Lucia (S)	E. Caribbean $	4.80
St. Pierre	C.F.A. Franc	428
St. Vincent (S)	E. Caribbean $	4.80
Salvador El	Colon	4.58
Samoa (Am)	U.S. $	1.83
San Marino	Italian Lira	1.62
San Tome	♥♥	♥♥
Saudi Arabia	Ryal	6.45
Senegal	C.F.A. Franc	428
Seychelles	S. Rupee	12.5
Sierra Le'ne (S)	Leone	2.0
Singapore (S)	Singapore $	4.526
Somali Rep.	Som Shilling	(A) 11.55
Sth Africa (S)	Rand	1.595
S. W. Africa Territories (S)	S. A. Rand	1.59
Spain	Peseta	(b) 123
Span. Ports in North Africa	Peseta	123.
Sri Lanka (S)	S. L. Rupee	15.5686
Sudan Rp.	Sudan £	(A) 0.638
Surinam	S. Guilder	3.27
Swaziland (S)	Lilangeni	1.59
Sweden	S Krona	8.0
Switzerland	Swiss Franc	4.5
Syria	Syria £	(A) 6.9
Taiwan	New Taiwan $	(P) 68.
Tanzania (S)	Tan. Shilling	15.1
Thailand	Baht	37.0
Togo Rp.	C.F.A. Franc	428
Tonga Is. (S)	Pa'anga	1.56
Trinidad (S)	Trin. & Tobago	4.4
Tunisia	Tunisian Dinar	0.785
Turkey	Turkish Lira	28.00
Turks & C's	U.S. $	1.8
Uganda (S)	Ug. Shilling	15.1
Utd. States	U.S. Dollar	1.8
Uruguay	Uruguay Peso	(cm) (fn)
Un'd A'b Emts	U.A.E. Dirham	7.1
U.S.S.R.	Rouble	1.4
Upper Volta	C.F.A. Franc	428
Vatican	Italian Lira	1.62
Venezuela	Bolivar	7.84
Vietnam (Nth)	Dong	(O) n.a. (T) n.a.
Vietnam (Sth)	Piastre	n.a.
Virgin Is. U.S.	U.S. Dollar	1.8
Western Samoa (S)	Samoan Tala	1.0
Yemen	Ryal	8.3
Yugoslavia	New Y Dinar	33.
Zaire Rp.	Zaire	1.5
Zambia (S)	Kwacha	1.1

◆ That part of the French community in Africa formerly part of French West Africa or French Equatorial Africa.

◆◆ Rupees per pound. Tourists visiting Sri Lanka receive a premium of 65 per cent.

●● A decimal currency for the dollar, equal to 10 Rhodesian shillings was introduced by the Independent Regime on February 17, 1970. Recent reports suggest a rate of about 1.14134 Rh. dollars to £1.

✤ The Ouguiya has replaced the CFA franc. The exchange was made at a rate of CFA Frs 5 to one unit of the new currency

(z) General rate: oil and iron exports 7.6902.

♥♥ Information not available for this edition.

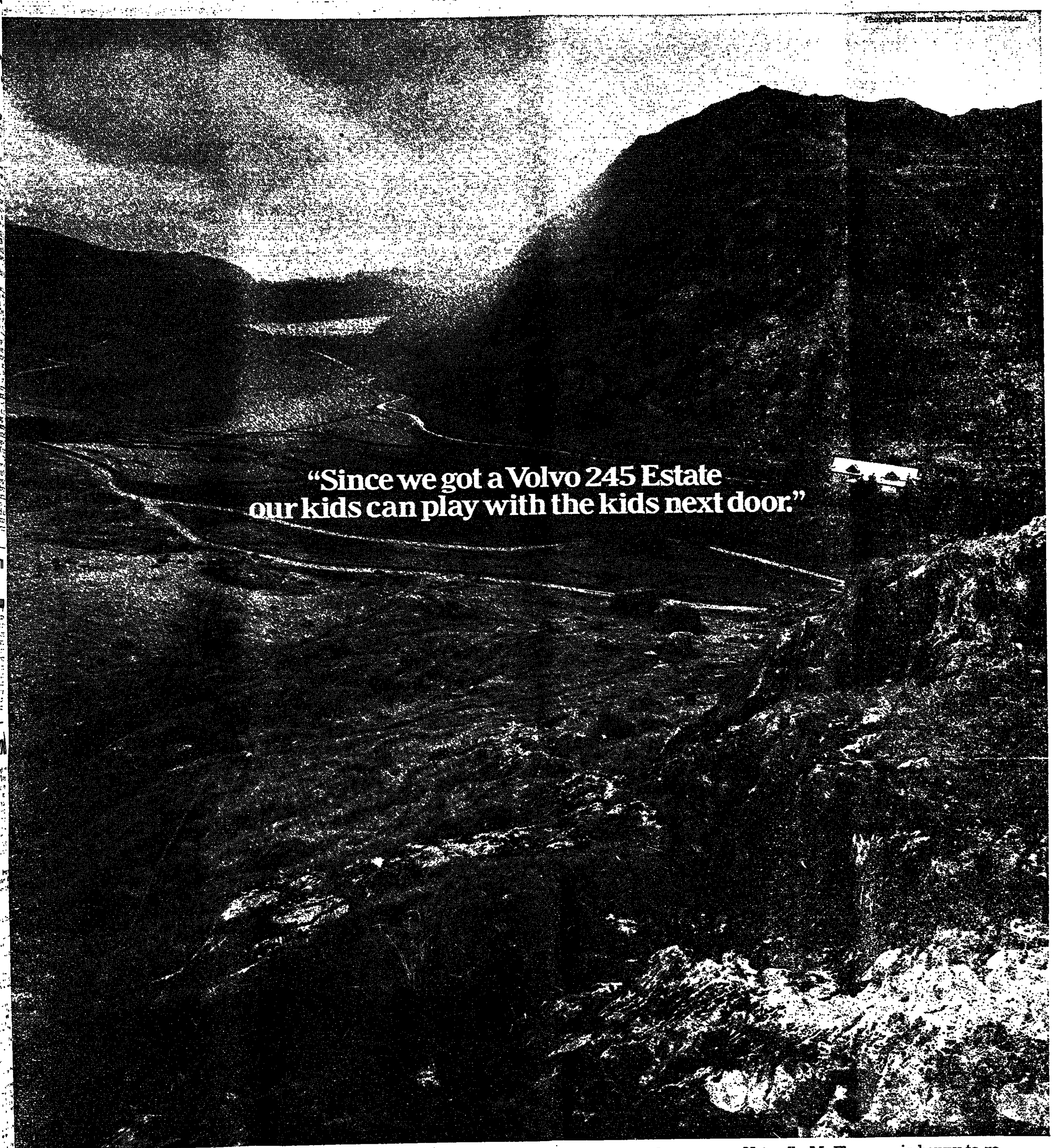
* Rate is the Transfer market (controlled).

** Rate now based on 2 Barbados $ to the dollar.

† BCRA 463.04.

‡ Now one official rate.

(h) Following devaluation.



For some people, the Volvo estate is a smart car about town.

But for a lot of our customers, it's essential transport around the country.

In the town of Buckie seven fishermen regularly pile into their Volvo estate to get to their trawler in Kyle.

Over a hundred miles away.

Even in places as far north as Skye you'll find people relying on the 245 for their daily transport.

Like the local doctor.

And in Garn Dolbenmaen in Snowdonia, where the terrain is almost as difficult as the name, you'll find a 245 down on the farm.

Another typical customer is Mr Selbie Florence–owner and manager of the Dundonnell Hotel in Wester Ross.

Mr Florence needed a car for a number of reasons.

First, for the family. (He has a wife, four children and a dog.)

Secondly, for the shopping.

The Florences live 20 miles from the nearest shop and 65 miles from the nearest city centre in Inverness.

And finally, he needed it for his business.

Mr Florence collects three trolley loads of hotel supplies each week from the cash-and-carry.

And, just to fill in the spare moments, he also runs his own personal taxi service to and from the airport.

In all, he clocks up about 30,000 miles a year, and the 245 is the third Volvo estate he's owned. In succession.

Naturally, Mr Florence is happy to recommend the Volvo 245 to anyone looking for a big, comfortable, reliable estate car.

"It isn't salesmanship," he says, "just neighbourly advice."

VOLVO 245

For your free copy of "The Volvo Facts" write to: Volvo Concessionaires Limited, Lancaster Road, Cressex Estate, High Wycombe, Bucks. HP12 3QE. Tel: (0494) 33444.
Export enquiries to: Volvo Concessionaires Ltd, 28 Albemarle Street, London W1X 3FA. Tel: (01) 493 0321.
Parts Division: Eldon Way, Crick Motorway Estate, Northampton, NN6 7SA. Service Division: Raeburn Road, Ipswich, Suffolk, IP3 0ES.

APPOINTMENTS

LEGAL NOTICES

No. 001488 of 1976

In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of PRINT & MARKETING SERVICES (EUROPE) LIMITED and in the Matter of The Companies Act, 1948.

NOTICE IS HEREBY GIVEN, that a Petition for the winding up of the above-named Company by the High Court of Justice was on the 28th day of April 1976, presented to the said Court by BUCKINGHAM PAPER COMPANY LIMITED whose registered office is situate at 640a Finchley Road, London NW11 7RR, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London WC2A 2LL, on the 14th day of June 1976, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing, in person or by his Counsel, for that purpose: and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

A. OLDSCHOOL & CO.,
Phelps Cottage,
357 Upper Street,
London N1 0PD.
Solicitors for the Petitioner.

NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on, or send by post to, the above-named notice in writing of his intention so to do. The notice must state the name and address of the person, or, if a firm, the name and address of the firm and must be signed by the person or firm, or his or their solicitor (if any) and must be served, or, if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 11th day of June 1976.

No. 001307 of 1976

In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of RETROFLAME GROUP LIMITED and in the Matter of The Companies Act, 1948.

NOTICE IS HEREBY GIVEN, that a Petition for the Winding up of the above-named Company by the High Court of Justice was on the 3rd day of May 1976, presented to the said Court by ROBERT HENRY EDMUND BROWN of Fiveacres, Murcott, Islip, Oxford, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London WC2A 2LL, on the 14th day of June 1976, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing, in person or by his counsel, for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

BLYTH DUTTON ROBINS HAY,
9 Lincoln's Inn Fields,
London WC2A 3DW.
Agents for:
Burt, Evans & Shawcross,
6 & 7 St. Mary's Street,
Ross-on-Wye,
Herefordshire.
Solicitors for the Petitioner.

NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on, or send by post to, the above-named notice in writing of his intention so to do. The notice must state the name and address of the person, or, if a firm, the name and address of the firm and must be signed by the person or firm, or his or their solicitor (if any) and must be served, or, if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 11th day of June 1976.

No. 001(?) of 1976

In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of ANGLIA HORTICULTURAL DISTRIBUTORS LIMITED and in the Matter of The Companies Act, 1948.

NOTICE IS HEREBY GIVEN, that a Petition for the Winding up of the above-named Company by the High Court of Justice was on the 3rd day of May 1976, presented to the said Court by WOLF-TOOLS FOR GARDEN AND LAWN LIMITED of Alton Road, Ross-on-Wye, Herefordshire, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London WC2A 2LL, on the 14th day of June 1976, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing, in person or by his counsel, for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

BLYTH DUTTON ROBINS HAY,
9 Lincoln's Inn Fields,
London WC2A 3DW.
Agents for:
Burt, Evans & Shawcross,
6 & 7 St. Mary's Street,
Ross-on-Wye,
Herefordshire.
Solicitors for the Petitioner.

NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on, or send by post to, the above-named notice in writing of his intention so to do. The notice must state the name and address of the person, or, if a firm, the name and address of the firm and must be signed by the person or firm, or his or their solicitor (if any) and must be served, or, if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 11th day of June 1976.

HOME NEWS

Ex-Minister criticises education policy

By Michael Dixon, Education Correspondent

CHARGES OF badly managing the country's £6bn. education system were levelled yesterday at the Department of Education and Science by Lord Crowther-Hunt, a former Minister of State for higher education.

He told the Commons Select Committee on Education and Science that the department was "ill-organised and ill-equipped" for the crucial work of long-term educational planning.

Among the results, he mentioned a situation in which the educational unions had "too much power," and Government involvement in detailed adjustments which he thought better left for decisions by local government.

Although the Department engaged in much "cosmetic" consultation, its real belief was that planning is best done in secret, said Lord Crowther-Hunt, who while at the Education Ministry publicly advocated that provision of places in universities and polytechnics should be broadly influenced by forecasts of manpower needs in working organisations.

Where these higher educational institutions are concerned, the Department planned according to the concept of "natural demand," even though there was no such thing as "natural demand." Obviously the level of demand was much influenced by Government policy decisions, such as its generosity or otherwise with student grants.

The department's third main deficiency was that it based its planning on a "too narrowly educational view" of the country's needs.

For instance, Lord Crowther-Hunt said, although relations between the Department and the Manpower Services Commission and Training Services Agency might "just" be termed co-operative, they were certainly neither close nor loving. The Department did not recognise the wider responsibilities of the education service.

Rush for Credit Act licences

By Michael Blanden

A RUSH of applications for licences under the new Consumer Credit Act is expected by the Office of Fair Trading this month.

So far in the first stage of the licensing process the Office, which is responsible for administering the new regulations, has received some 3,000 applications, compared with the 100,000 or so licences expected to be issued eventually under the Act.

The strong protest by the accountancy profession last week against the new rules highlights the extensive coverage of the provisions. In the first of three stages of the licensing process, lasting altogether to the end of September next year, about 20,000 applications are expected. The closing date for this stage is May 31, and applicants in the categories covered are required to have licences by August 3 to comply with the law.

According to the Office of Fair Trading, 20 to 25 per cent. of the applications are sent back because they are invalid.

Among the applications expected by the end of this month are a substantial number for the big bank groups and their subsidiaries, and many from accountants. While protesting at the need to apply for licences, the accountancy profession has recognised that its members must fill in the necessary forms this time round.

One major group, the Law Society, has put in for a group licence to cover all its members. This is being considered.

The present phase of licensing, which started on February 2, covers credit reference agencies, debt collecting, debt adjusting and debt counselling.

The next stage of licensing, from August 3 to January 31, covers the main bulk of business, consumer credit and consumer hire activities. In the final phase, April 1 next year to September 30, licences will be issued for credit brokers.

Dana plans $20m. boost for U.K. group

By Roy Levine

TOLEDO, Ohio, May 10.

DANA CORPORATION, the biggest U.S. manufacturer of proprietary vehicle components, is considering increasing its $20m. investment in the U.K.

Turner Manufacturing, the U.K. associate in which it holds a 35 per cent. stake, has tendered for a major contract to supply British Leyland with transmission systems and clutches, Mr. Stanley Gustafson, Dana vice-president of finance, said at the week-end.

If it won that contract a further investment of some $25m. would be needed to increase the U.K. plant and Dana would contribute to the capital required if asked to do so.

A decision from British Leyland is not expected for about six months. It could, Mr. Gustafson said however, treble sales of Turner Manufacturing to over $100m. by 1980.

Dana's main U.K. investment is a 63-per cent. stake in Brown Brothers, another vehicle components manufacturer. That investment, worth some $18m., was increased from 27 per cent. earlier this year.

Frigg gas field treaty signed with Norway

BY RAY DAFTER, ENERGY CORRESPONDENT

BRITAIN and Norway have signed a formal treaty covering the development of the big Frigg gas field which straddles the U.K./Norwegian boundary in the North Sea.

It is the first international unitisation agreement covering an offshore gasfield and is regarded as a cornerstone in the development plans of British Gas.

Under commercial agreements all of the recoverable gas from the field is to be piped to the U.K. British Gas is expected to sell half of the fuel to domestic consumers; the remainder will go to commercial and industrial users.

The treaty was signed for Britain yesterday by Mr. Anthony Wedgwood Benn, Energy Secretary, and Mr. John Tomlinson, Parliamentary Under-Secretary of State at the Foreign and Commonwealth Office. The agreement covers the legal and administrative aspects of the development.

Work continues on evaluation of the reserves which lie in the U.K. and Norwegian sectors. Consultants De Golyer and MacNaughton are expected to announce their findings this summer. It is felt within the industry, however, that the field is split roughly 50—50 between the two countries, with perhaps up to 5 per cent. more lying in the Norwegian sector.

The exact location is not only important for the oil companies developing the field but also for British Gas and U.K. gas consumers. For it is understood that the Corporation has agreed to pay appreciably more for gas from the Norwegian sector than from the U.K. side.

This decision reflects market forces. Oil companies developing fields in British waters are bound to offer gas to the Corporation whereas companies outside British jurisdiction can sell their hydrocarbons elsewhere.

Frigg Field has reserves estimated at 7.5 trillion (million, million) cubic feet.

Shared

The field is costing about £1.3bn. to develop, and it should be on stream by the end of 1977. British Gas is not committing itself to Frigg sales until spring 1978, however.

Two pipelines are being constructed to carry the gas the 230 miles from the field to a terminal being built at St. Fergus, Aberdeenshire. The pipeline from the British sector of the field is almost completed.

Licensees in the Frigg Field are: Total Oil Marine, Elf Oil Exploration and Production (U.K.), Aquitaine Oil (U.K.), Elf Norge, Aquitaine Norge, Total Marine Norsk, Norsk Hydro, and Statoil.

Outlook uncertain for Siebens Shetland find

BY RAY DAFTER

SIEBENS Oil and Gas (U.K.) has found low-gravity oil in Block 3/28, some 100 miles east of the Shetlands. Commercial prospects for the find remain uncertain, however.

The well was fully logged and tested. But because of the nature of the hydrocarbons, the Siebens group found it difficult to check the flow characteristics of the reservoir.

The company would say only that drill stem tests were made over an approximate 200 feet zone, resulting in a recovery of low gravity hydrocarbon of about 20 degrees.

Siebens is currently suspending the well while it appraises its series of tests in Blocks 2/10 and 3/28. The rig Western Pacesetter has now fulfilled its contractual commitment to Siebens and is being moved to the Firth of Forth.

Britain 'is geared for big export upsurge'

By James McDonald

IN THE short term, Britain [is] geared for a major export [boom], Sir Frederick Catherwood, [chair]man of the British Institute [of] Management said in Belfast yesterday.

But he gave a warning [that] British industry was badly [under]capitalised. "We need to e[xpand] our capacity as we modern[ise if] we are not to deliver our ho[me] markets to our European com]petitors.

"A Common Market is a com]mon market. If we do not ha[ve] the capacity to maintain [our] share—and currently we do[n't] then it will be supplied by competitors in Germany, Fra[nce,] Holland and Belgium."

Sir Frederick told a confer]ence, jointly organised by [the] Management and the BIM, [that] if low home demand avo[ided] bottlenecks in the export [drive] for the next year, they w[ould] begin to appear very soon [after]wards "unless we have a de[ter]mined investment drive."

Listing five "favourable" [fac]tors for Britain, Sir Fred[erick] said that sterling seemed to [be] undervalued by about 4 per ce[nt.] Secondly, the new pay deal w[ith] the unions underpinned [the] competitive position [of] sterling and might improve [it] slightly over the next year.

Pay deal

The new pay deal would a[lso] restrain home consumption at [a] time when major export mark[ets,] especially in the European Co[m]munity and North America, we[re] surging ahead.

"Our next problem is to f[ind] the money to finance the inve[st]ment. The pay deal will he[lp] greatly in getting money fro[m] the financial institutions. T[he] undervalued currency, combi[ned] with the pay deal, will be [an] enormous boost to the cash fl[ow] of export industry.

"The oil revenue will begin [to] help indirectly by enabling us [to] take a little more strain on [the] balance of payments. But a g[ood] deal will have to come from [a] substantial switch of resour[ces] from the public sector to t[he] manufacturing sector.

"This will come as soon as t[he] unions take on board the streng[th] of their financial interest in t[he] companies they work for."

If no political settlement cam[e] in Northern Ireland, it would [be] left out of the export boom an[d] its comparative position wou[ld] worsen.

Hopes rise for Concorde's key service to Washington

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

BOTH British Airways and Air France, which start Concorde scheduled North Atlantic passenger flights on May 24, are confident that this will prove to be the breakthrough the aircraft needs to stimulate passenger growth and new orders.

Bookings for the transatlantic services are now flowing in, and the BA flights on a once-weekly basis are already fully booked until end-June on the Washington to London sector, although there is still some space from June 12 on the London to Washington flights.

Only two hurdles now stand in the way of the new service. One is a possible U.S. Federal Appeals Court ruling that Mr. Coleman, U.S. Secretary of Transportation, was wrong in allowing any Concorde trial in the first place.

The U.S. Environmental Defence Fund, which is opposed to Concorde, has been pressing this argument, and the court is due to hear the case on May 19.

If it rules in favour of the fund and against Mr. Coleman, the Concorde flights will have to be postponed until some clarification of the legal position is obtained.

Ban unlikely

The view on this side of the Atlantic, however, is that such a decision is unlikely and so plans for the test flights are going ahead. This belief is based on the fact that any ruling against Mr. Coleman would be against the U.S. Government as a whole, effectively blocking many other day-to-day decisions.

Once into Washington, however, there is also the possibility that some local authorities surrounding Dulles Airport, which have been objecting to Concorde on noise grounds, may try to prevent it from leaving, either by legal means (seeking an injunction against it) or physically by obstructing the runway.

Fairfax County, for example, in which Dulles lies, has altered its local laws to say that any supersonic aircraft using the airport must comply with subsonic noise rules.

This is being contested locally by the U.S. Government, which argues that local authorities cannot govern what happens at Dulles in this way.

Neither of these legal problems, however, are deterring the two airlines from pressing on with their plans.

The BA plan is for Concorde to leave London on Saturdays at 13.00 and return from Washington on Sundays at 12.30.

Flight time in each direction will be about 3 hours 50 minutes. The fare will be £704 return, which is the normal first-class return-rate plus a surcharge of 20 per cent.

Later in the summer, BA will step up the frequency to twice-weekly and eventually to three times a week.

K. K. Sharma, Our New Delhi Correspondent, writes: Mr. Raj Bahadur, India's Minister for Tourism and Civil Aviation, took strong exception to British Press comments to the effect that India had not allowed the Concorde flights because Britain had not given it any civil aviation benefits.

Speaking in the Lok Sabha (Lower House of Parliament), he said the Indian decision was based mainly on grounds of possible injurious effects to life, particularly in thickly-populated areas.

The Minister described as "completely unfounded" British Press reports that India's refusal to allow the Concorde flight was because of a desire to get "some major civil aviation concessions" from Britain.

Airlines urged to reconsider cargo pricing

THE NEED for radical n[ew] thinking by the airlines to sti[mu]late air cargo development w[as] stressed in London yesterday [by] Mr. Stephen Wheatcroft, dep[uty] managing director of British A[ir]ways.

He told the eighth in[ter]national Air Cargo Forum t[hat] one area where such thinki[ng] was necessary was in the re[la]tionship between scheduled [and] charter operations, and especi[ally] in such fields as pricing and m[ar]keting.

He stressed that the schedu[led] airlines were obliged, as a res[ult] of their membership of the In[ter]national Air Transport As[socia]tion, to agree upon and a[pply a] series of minimum rat[es for] cargo, whereas the c[harter] operators were not bound [in the] same way.

"In my view, we cannot c[on]tinue with a situation in wh[ich] non-scheduled airlines are [per]mitted to exploit all segments [of] the market, with no price c[on]trol, whereas the scheduled [air]lines are not," he declared.

Britain geared big exp upsurg

By James McDo

PPOINTMENTS

Hill Samuel Board post

Mr. G. S. Watson has been pointed to the Board of HILL MUEL AND CO., merchant kers, and his responsibilities be within the commercial king division. Mr. Watson formerly managing director Hill Samuel Pacific, based in g Kong, where he had been two years.

★

Mr. Julian Osborne has been pointed financial director of RCO DEAN. Mr. Roland tham, deputy chairman, has ired. Mr. Osborne joins Burco an from Chamberlain Phipps ere he was divisional managing ector as well as a member of main Board.

★

Mr. Donald C. Wasdell has been cted chairman of the STOCK CHANGE, MIDLANDS AND STERN, and Mr. John C. Cum-land has been elected deputy airman.

★

As part of the reorganisation of mlen chemical companies in rope, the equipment and emical divisions of GAMLEN EMICAL COMPANY (U.K.) ve merged under one manage-nt. By mutual agreement, Mr. ncan Lyon has relinquished his ties as managing director of mlen (U.K.). Mr. B. B. Madsen, merly general manager of the uipment division, now assumes ponsibility for the whole of the mpany's U.K. and Scandinavian erations.

★

Mr. J. A. Jefferson, agency man-er and Mr. B. H. Shaw, new siness manager, are to become sistant general managers of the ITANNIC ASSURANCE COM-NY. Mr. D. Routledge, divisional nager, 'A' division is to be ency manager. The appoint-ents take effect from July 1.

★

Mr. S. K. Donnellan has been pointed vice president inter-tional operations of GROVE ANUFACTURING COMPANY, S. He has also been appointed anaging director of Grove Allen the U.K. Mr. Donnellan was eviously managing director of emier Metal Holding, a member mpany.

★

Mr. Michael J. Fleming, who was rmerly with Imperial Metal In-istries, has joined the Board of EIGH AND SILLAVAN and will e responsible for the company's ade in major non-ferrous metals.

★

Mr. Roy Tiller has been appoin-ed to the Board of HUNTS NGINEERING (BOURNE-IOUTH). He continues as general anager of the crankshaft division

★

Mr. Iain D. T. Vallance has been ppointed director of Central Finance and Accounting at the POST OFFICE central head-quarters in London and will take up his new post this month.

Mr. Brian Wherry, controller, runk planning, in the Post ffice's London Telecommunica-ions Region, has been appointed hairman of the North West Tele-ommunications Board. Mr. Vherry succeeds Mr. J. V. Greenlaw, who has retired.

★

Mr. Reg Evans, previously nanaging director of Evans and Kitchen, has joined the Board of P. J. EVANS (HOLDINGS) as eputy chairman. Mr. Michael urley, marketing director of P. J. vans Ltd., and Mr. Anthony rcher, managing director of rchers (Shirley), have also ecome directors of P. J. Evans Holdings). Mr. K. C. H. Rawlings etires from the Board of that ompany on May 31.

The changes follow the acquisi-on of Evans and Kitchen by J. Evans (Holdings).

★

Mr. D. P. Flinn, of Coopers and ybrand, Dublin, has been elected resident of the INSTITUTE OF HARTERED ACCOUNTANTS IN RELAND.

★

Mr. R. E. Galbraith has been ppointed a director of HOGG OBINSON & GARDNER MOUN-AIN INTERNATIONAL.

★

TOM MARTIN METALS GROUP s made the following subsidiary ard appointments: Mr. R. A. C. nes, a director of TVA Silver Extractors, and Mr. D. Rogers, as deputy managing director of Diversa Metals.

★

Dr. W. R. F. Gosling has been appointed managing director of BADGER SYSTEMS (ELECTRONICS), a new company in the Badger Systems Group. Other appointments are Mr. R. J. P. Morrow as engineering director and Mr. J. R. Nicholson as marketing director. Managing director of the group, Mr. R. T. Jackson, becomes chairman with Mr. L. Livesey as company secretary.

★

Mr. Alex M. Harrower has been elected president of the ELECTRICAL CONTRACTORS' ASSOCIATION in succession to Mr. George McCallister. Mr. Harrower is managing director of A. M. Harrower. Mr. Charles Brown, Mr. Pat Lowe and Mr. David Pitts have become vice-presidents of the Association.

★

Mr. M. Whale has been appointed finance director of MEACOCK SAMUELSON & DEVITT (REINSURANCE BROKERS), part of the Devitt Langton and Dawnay Day Group.

★

Mr. A. J. Kennedy has been elected president of the INSTITUTION OF METALLURGISTS. Mr. J. Nutting and Mr. J. A. Reynolds have become vice-presidents, and Mr. E. J. Bradbury honorary treasurer.

★

Mr. J. M. Williams has been appointed managing director of GLADDING INTERNATIONAL, the holding company for K. P. Morritt and Edgar Sealey.

★

Mr. J. Vaandrager has been appointed a director of EDBRO BODIES. He is a director of Edbro Europa BV, a subsidiary.

★

Mr. Julius Neave, general manager, Mercantile and General Reinsurance, has been elected president of the INSURANCE INSTITUTE OF LONDON for 1976-77. He succeeds Sir Henry Mance. Mr. E. D. Rainbow, general manager, marine and aviation, Commercial Union Assurance, has been elected deputy president of the Institute.

★

Mr. Hugh D. Martin has become deputy managing director of WORLD BANKING CORPORATION, Nassau, a member of the Wobaco Group. Formerly with Commercial Bank of Africa, he will take up his appointment towards the end of May.

★

Mr. M. A. Brett and Mr. M. F. Race have been appointed executive directors of BLAND PAYNE REINSURANCE BROKERS.

★

Mr. Martin K. A. Craddock has been appointed financial director of TIFFANY FOODS.

★

Mr. R. L. Hersov, Mr. C. A. Stride and Mr. O. A. G. Baring have been elected directors of the TILLEY LAMP COMPANY. Mr. R. Grimble and Dr. G. T. C. Hamilton have resigned from the Board.

★

NEGRETTI AND ZAMBRA has made the following appointments in certain of its subsidiaries: Mr. I. G. Hunter joins the local management Board of the Aylesbury operation as assistant managing director; Mr. R. K. McCarthy is now director of cost administration; and Mr. A. D. Parsons moves to the newly created post of marketing director. Mr. J. D. Rowe has been appointed to the Board of Willesden Engineering Company as chairman. Mr. C. R. Weiss joins the Boards of Willesden Engineering Company and VAT Microfilm.

★

Mr. Leslie Lawrence will take over as chief signal engineer of LONDON TRANSPORT when Mr. H. W. Hadaway retires at the end of this month after 49 years' service.

Pay deal

ncorde's k gton

Airlines to recom cargo pl

...SHO LTD.

...KYO LTD.

...FMBOURG...

The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● ENERGY

Topping up with sun heat

SOLAR ENERGY is an optional extra for a pollution-free electric storage boiler system capable of providing both low-cost central heating and domestic hot water.

An extensive overseas market is predicted for the Centralec *electrically-heated water thermal* storage boiler, developed by the Consumer Power Company of Saffron Walden with financial support from the National Research Development Corporation (NRDC). Units are currently undergoing evaluation tests in Australia, Greece, Israel and Switzerland, as well as in England.

Heavily-insulated, the boiler operates at off-peak electricity tariffs, using water as the thermal storage medium. It is designed so that water can be heated to a high temperature by a bank of immersion heaters placed low in the tank, operating on the night tariff. The controlling thermostat is set to give maximum storage temperature in relation to the working pressure, which can be up to a 40 ft. head but the water temperature is reduced to 160 degrees F. before entering a normal radiator circuit, by the use of mixer valves. Another set of immersion heaters, situated near the outlet, is thermostatically controlled to maintain the correct flow temperature should very cold weather produce an unusually heavy demand for heat when the *off-peak tariff is inoperative*.

Solar energy can be used to improve the economy of these boilers. Consumer Power Company produces solar panels designed to reduce fuel consumption in either Centralec boilers or in other water heating systems utilising electricity, oil, gas or solid fuel. Energy is captured from the sun's rays by the Thermasol solar heat collector and is transferred to the electric storage boiler by means of a heat exchanger. This reduces the electrical energy need to reheat the boiler overnight or to top up the water temperature for central heating.

Centralec storage boilers are suitable for both domestic and commercial applications. Fully assembled prior to despatch, they take about 3 hours to install (to prepared pipework).

Standing losses are minimal, and boilers can be sited anywhere under cover, for instance in a shed or garage, to free domestic space.

NRDC, POB 236, Kingsgate House, 66, Victoria Street, London SW1E 6SL (01-828 3400).

● CALCULATORS

US firm seeks UK outlets

CLAIMING to be number three in the U.S. calculator manufacturing league, APF Electronics of New York is attempting to enter *the U.K. market and has* appointed Innovative Marketing International to arrange outlets.

IMI, whose factories in the U.S., Japan and Hong Kong are turning out 0.5m. units a month, offers a range of 25 standard models ranging from a five function unit which will retail *here* for under £6 to a nine memory 55 function machine at £29.50. All the machines are hand-held and operate on batteries or from a mains adaptor. More from Innovative Marketing International, 2 Dorset Street, London W1H 3FP (01-486 3476).

● DATA PROCESSING

Support for the service industry

THOUGH pressure on Government services to prune costs will continue to grow at least till the end of next year, support to the U.K. software, bureaux and *consultancy organisations will continue* to run at around its present annual level of between £5m. and £6m. according to Mr. Reay Atkinson, head of the Central Computer Agency.

Speaking to a meeting of the Computer Services Association and somewhat surprisingly describing his organisation as "having no powers of sponsorship," he admitted to a major failing in his own advisory system. This was that there was no mechanism to advise Government Departments—through CCA—when it would be better to use *a minicomputer to solve a* problem rather than to enhance existing equipment.

"We are only now weaning away from mainframes," he said.

He disappointed his audience with the news that whatever might happen outside the U.K., there would be scant opportunity to award massive Government Service contracts over the next few years, and he further appeared to imply that neither he nor CCA was prepared to accept pressure for the formation by merger of a small group of large and powerful service/software entrepreneurial groups—though this is the way the industry is moving in France.

As in other departments, a "hard times review" was under way. Internal staff associations too *were becoming much more* concerned as to the extent and quality of the work going to outside contractors.

None of this, however, met the point senior service industry operators have been making—that they do not want money, but work, *and a certain amount of* Government risk-taking.

Mr. Atkinson did say, though, that CCA was seeking to improve productivity of Government equipment and methods, which implies an ongoing need for tools which measure the performance of computer installations.

Clutch of terminals

AN INTELLIGENT visual display terminal and two printing terminals equipped with microprocessors have been announced by Extel's engineering division.

Visual unit W1625 is made by Westinghouse of Canada and consists of a number of basic modules: CRT unit; keyboard; *power supply; and a modular* electronics assembly designed for expansion up to a storage capacity of five pages.

A bus-oriented microprocessor has been used enabling a complex interactive display system to be achieved with relatively low circuit complexity and low power consumption. Display format is 12 or 24 rows of 80 characters per row on a 12 inch diagonal screen. A detachable keyboard with dry-reed key switches generates the entire 128 *character* ASCII set.

Model 300 impact printer terminal has its own microprocessor to provide comprehensive programming and operator control facilities. It is designed to provide the remote computer user with a universal, high reliability data terminal. The Diablo HyType print mechanism is used, offering quality comparable to that of an electric typewriter.

Also introduced is the M30 automatic send/receive 30 ch/sec. matrix printer terminal incorporating extensive data preparation and *editing facilities*. It can be used either as a computer terminal operating on an ASCII eight-level code or for teleprinter applications with a five-level code: change-over is effected by changing a printed board.

Digital cassette tape recorders have also been announced which can be connected to most types of computer equipment or alternatively can be used as a standalone buffer, for example to upgrade teletypewriter terminals to operate at higher speeds to line.

Finally, Extel has announced a complete re-conditioning service for Teletype and other electromechanical terminals including Siemens, Creed and TermiNet. More from 73, Scrutton Street, London EC2A 4PB (01-739 2041).

● MATERIALS

Factory noise barrier

MINERAL wool product "Acousticab" noise absorber, when positioned beneath the ceiling and against the walls of a *factory building* can halve the level of internal noise and sound reverberation.

It takes the form of vertically or horizontally suspended 1 metre x 0.6 metre panels of a predominant diabase rock fibre and is to be marketed nationally by Acousticabs of Malton, North Yorkshire.

By applying this absorption system, general factory noise can be reduced by an average of 10 db and reverberation time by *about 50 per cent., the net result* being a reduction of up to a half in the previous level of noise. Noise reduction in a building is achieved on a once-and-for-all basis and is not dependent on insulating individual machines.

The material can be installed within a matter of weeks without seriously interrupting work and can be infinitely varied in shape to meet all factory configurations.

Further details from 15, Yorkersgate, Malton. Malton 4422.

● BUILDING & CIVIL ENGINEERING

All about precast

MOST contractors buy precast concrete units from manufacturers, taking advantage of their skills and expertise. However, when simple items are required in relatively large numbers over an extended delivery period it can be beneficial for the contractor to produce them, either on or off site.

But precast is not simply in-situ concrete cut into pieces. Even simple items require considerable knowledge and skill for their manufacture if they are to be produced economically and well. The contractor also has to commit himself to diverting resources which would otherwise be usefully employed elsewhere.

It is against this background that the theme of a new paper, "Estimating for precast concrete," is developed.

Even when a supplier is involved, there is a danger that unless he understands exactly what is being asked of him in the specification, quotations *may* be based on the wrong information. For instance, a manufacturer will assume that customary standards apply unless told otherwise—any changes in the manufacturers' normal methods of work easily lead to higher costs.

Where the contractor is to carry out the work himself, knowledge of the various requirements of the precasting exercise is essential.

The paper offers a guide to the types of precast concrete available and items that should be considered is assessing the cost of "in-house" manufacture including concrete; moulds; cast-in fittings; reinforcement; loose fittings; transportation; protection; and erection.

It has been written by Mr. A. G. O. Sparks, Technical *Administrator of the British* Precast Concrete Federation and is available from the Institute of Building, Englemere, Kings Ride, Ascot, Berkshire.

Compressor is light and simple

FIRST prototype of a new, combined petrol engine and air compressor by Direct Power is back in the U.K. after a demonstration to Avalanche Industries of Vancouver.

This machine is designed to satisfy an expanding market for a small, transportable (and therefore very compact and lightweight), *self-contained air compressor* set for commercial users.

The first model is designed to deliver 20 cubic feet of free air per minute at pressures up to 100 lbs/in² (567 litres per minute at 7 bars) and to weigh only 40 lbs (*just over 18 kg*) *complete* and ready to run.

This is a very considerable saving in weight over conventional equivalents giving the same output and is achieved by a radically new approach to the design of combined units in which, among other things, mechanisms between the driving part (the engine) and the driven part (the compressor) are virtually eliminated. Consequently, the number of parts is also reduced and mechanical simplicity increased. The design is the subject of patent applications in a number of countries.

Development will now continue for Avalanche in the company's works at Crawley, Sussex until the machine is ready for Avalanche to put it into production.

Direct Power is at Unit 1, Alpine Works, Oak Road, Southgate, Crawley, Sussex RH11 8AJ. (0293 22590).

Better road surfaces

THE FRENCH Salvium Brun company has come up with an improvement in road surfacings based on the Salviacim technique.

This consists in introducing a cement-based compound, fillers, sand and additives into a layer of gravel coated with bitumen or tar. The road surface is thus *rendered* more rigid, while retaining flexibility of bituminous compounds.

This technique has now been perfected by the formulation of an additive called Prosalvia 3. Its main ingredient is an elastomer developed by Dow Chemical Europe which improves compression resistance and stress resistance. Both are at least doubled, while at the same time shrinkage is greatly reduced. The average amount of shrinkage over a period of 28 days is reduced to one-seventh that of normal surfacings, that is negligible *proportions*.

An advantage to civil engineers is that the *new surfacing* is resistant to static loads as well as to shearing caused by road-building equipment.

Further from Dow at Heathrow House, Bath Road, Hounslow TW5 9QY.

Helping to find causes of collapse

YARSLEY Testing Laboratories at Ashtead have extended their services to the building industry by establishing a new facility for the examination of cement, *aggregates* and other allied products. This is especially for investigation of failures and other problems which occur from time to time in the industry.

Recent work has included giving advice on the establishment in the Middle East of plant for making concrete blocks. Another example was an investigation into the serious failure of floor screed in an airport building, when the use of an incorrect grade of aggregate was revealed.

The facilities are backed by extensive analytical laboratories for the determination of sand and cement ratios and other chemical tests. Differential thermal analysis tests are performed on high alumina cement to determine the progress of conversion.

Yarsley Testing Laboratories, Ashtead, Surrey.

Preventing leaky roofs

DISCOVERY of hairline cracks around the roof perimeter of 23 blocks of flats *forming the Highfield* Estate in Feltham, Middlesex, has led the London Borough of Hounslow to undertake extensive preventative maintenance, by re-proofing the roofs with the Monoform System of spray-applied bitumen and glass fibre *rovings*. The contract involved a total roof area of 7,760m² and was carried out by W. G. David (London), Woking Surrey, GU21 4NL—a member of The Association of Monoform Licensees.

In the opinion of the contractors, the buildings which were put up just over ten years ago, have been subjected to movement—either thermally-induced or caused by settlement, and possibly aggravated by vibration from the nearby railway, or planes using London Airport.

Monoform, which is applied under licence from the patent-*holders*, Shell Composites, was selected mainly on price and because it provides a one-piece jointless sheath of reinforced waterproof coating, which does not require that the roof should be stripped and residents re-housed.

● SOFTWARE

Boost for products

DoI has raised funding available to the Software Products Scheme by a further £260,000.

The pattern of developing interest in software products has been out of phase with that projected at the start of the Scheme with the result that the early demand for funds was smaller than expected. The situation has been reversed over the last 18 months with the demand for funds substantially exceeding that originally anticipated. Because of this delayed demand *a shortfall of income has been* predicted over the next 2-3 years and the additional funding has been approved to remedy this.

Additional funding will be made available over the next two years and will be added to the returns now beginning to flow back to the Scheme, as more products which have been fin[…] cially supported are launch[…] on the market. The immedi[…] objective will be to achieve [a] steady level of funds availab[le] to the Scheme of £300,000 [a] annum.

The Scheme aims to ma[ke] funds available for develop[ment] and initial marketing costs […] there are now 15 support[ed] projects. It is thus help[ing] U.K. products into the devel[…] ing software products mar[ket] aiding users; and contribut[ing] both to import substitution [and] to exports.

NCC, Oxford Road, Ma[n]chester, M1 7ED. 061-228 […]

● PROCESSING

Automatic hot shear

TO REPLACE a billet heater SKF Rolamentos SA in Bra[…] GKN Birwelco (Uskside) [has] developed an automatic […] shearing unit. It enables st[…] bar to be fed mechanic[ally] through an electric induct[ion] heater and a hot shear to deli[ver] an accurately cut and corre[ctly] heated billet at the forg[ing] press.

GKN says that compared w[ith] separate cold shearing, [an] integrated hot shear line of[fers] economies and other advanta[ges] which can be exploited in […] runs, largely by eliminating […] —and space—consuming int[er]stage storage and handling [of] the cut billets.

The line comprises a 23 […] long automatic bar rack w[ith] hopper feed to an index[ing] device which feeds single […] to an SFR12 300 kW automat[ic]ally controlled induction hea[ter] powered by a 3 kHz static […]verter and able to heat 845 […] of steel/hour.

Heated bearing steel bars, […] to 51 mm. diameter, are pa[ssed] to a Lamberton hot shear, wh[ich] working on a cut-to-weight ba[sis] provides lengths of from 51 […] 111 mm. to the forging line […] a maximum of 660 pieces/ho[ur]. Weight range of the cut leng[ths] varies between 0.85 and 1.6 […]

SKF Rolamentos intends […] work with one bar size o[…] (*forging only bearing housing*[s]) but the line can be reset to t[…] different bar sizes.

GKN Birwelco (Usksid[e]) which is at Church Street, Ne[w]port, Gwent NPT 2TW (0[…] 63021), says a French compa[ny] has also expressed interest [in] the line.

● ELECTRONICS

Logic board tester

DESIGNED to test large numbers of complex digital logic assemblies in a short time, DTS-70 from Hewlett-Packard offers go/no-go and fault isolation. Up to three test stations can be used at the same time and programs can be written and edited on the system controller while one test station is in operation.

Computer and peripheral manufacturers, makers of industrial process and production control equipment, and manufacturers of communications *systems are among the potential* users. Anyone engaged in large volume production of complex printed circuit assemblies is expected to benefit from the system's ability to rapidly test a variety of sizes of boards.

Go/no-go testing is fast—typically a few seconds for moderately large logic assemblies—and fault isolation using the guided probe is accurate and quick, typically less than a minute. This is accomplished using both stored fault responses of logic assemblies (fault signatures) and measurements with a probe *according to instructions* supplied by the test system.

The 9571A is able to handle large logic assemblies to aproximately 200 MSI-type integrated circuits. Up to 360 pins are available, programmable as either drivers or sensors and able to make measurements on most commercially available logic families.

Hewlett-Packard, King Street Lane, Winnersh, Wokingham, Berks. (Wokingham 784 774).

● COMPONENTS

Devices from RCA

SEVERAL switching transistors and random access memories are released by RCA.

Series 2N6306 combine high voltage switching ability with high speed. They are for use in off-line switching power supplies, high voltage inverters, switching regulators and motor controls. Collector-emitter sustaining voltages are between 350 and 450 V and peak *collector currents of up to 16A can* be handled.

MW4060D devices are 4096 word x one bit high-speed dynamic random access memories intended for use in large-scale high performance memory systems. They are *available with access times of* 200, 250 or 300 ns and make use of n-channel silicon gate MOS techniques. Power dissipation is typically 0.2 mW standby and 400 mW operating.

Also offered are 256 word x one bit fully static RAMs using *COS/MOS circuits. Power dissipation* is typically 10nW/bit standby and 0.1 mW/bit operating at five volts for a 300 ns cycle time. More from RCA Solid State Europe, Sunbury on Thames, Middx. (Sunbury 8551).

HOME NEWS

DAVID BUCHAN REPORTS ON HOW HULL FEELS THE PINCH

Cost of the Third Cod War

"THE ONLY time there is any prospect of Iceland negotiating is when we are catching fair quantities of fish up there," Mr. Austen Laing, director-general of the British Trawlers Federation, claimed in Hull.

He and the rest of the trawling industry in Britain's biggest fishing-port now see that prospect advanced, with the decision last week to send two extra frigates to the fishing waters and more important, the change of tactics by the four frigates already there.

The spate of collisions last week between frigates and gunboats were the result of Icelandic pique at having first claimed a famous victory earlier, when some 15 British trawlers started sailing south only to find the trawlers returning with greater Royal Navy protection.

But it takes two to collide and the trawlermen are frankly delighted that the Navy is back in the business of forceably blocking the gunboats.

Skippers just returned to Humberside from Iceland, unanimously expressed to me their dismay at the Navy's recent "weak-kneed" behaviour.

They only differed as to whether to blame the Ministry of Defence in London or the local Navy commander.

Disrupted

With the arrival of the two extra frigates yesterday, the odds are now evened with the gunboats; there are now six frigates, while the trawlermen tend to discount the seventh and smallest Icelandic gunboat, a converted whaler they call Moby Dick.

With the provision of better Navy protection, the trawlermen's demands for the compensation has been more or less shelved.

The trawlermen are still arguing with the Government over £75,000 that was paid out for a short period of disrupted fishing earlier this spring—they feel it should be tax-free.

But although Mr. Fred Peart, Minister of Agriculture, Food and Fisheries, has said he is considering further compensation, the trawler owners regard it as one of the redder of herrings.

It would not benefit the companies, in any case, and the owners privately say that in any situation in which the crews need compensation, the companies would probably be losing too much to keep their ships at sea.

Nor has the public stand, which the industry has tried to put to the Government in demanding compensation, remained totally united; at least one Grimsby company is now offering to shell out for its own seamen itself.

The barely-veiled threat of the trawlermen earlier this week to sail from Iceland to other fishing areas carries little credence because they would then bump up against the quotas and licences allotted to other British trawlers for those areas, such as the Norwegian coast or the North East Artic.

Catching enough fish to persuade Reykjavik back to the bargaining table is one thing. Getting a deal is quite another, particularly as the Icelandic negotiating position has now become more complex.

They are now asking for "effort limitation" or a ceiling on the number of British trawlers in their waters at any one time, as well as a ceiling on the fish catch itself.

But the industry takes heart from the assumption of the leading part in fish negotiations by the Foreign Office from the Ministry of Agriculture.

It prefers Mr. Roy Hattersley (because they think he is an abrasive negotiator) and his superior, Mr. Anthony Crosland (because he represents the fishing constituency of Grimsby), to Mr. Peart.

Some see no role for mediation of the kind Norway has in recent months been trying to provide. The EEC should play a bigger part in the dispute, many in the industry feel.

It has a tariff weapon which the U.K., by itself, cannot wield—a weapon which does not bring such damaging publicity as the use of frigates.

Earnings

The industry is cheered by the Navy's actions, but not undergoing a rush of optimism to the head. The costs of the cod war, in addition to dented frigate hulls, are only too evident in the ports, and on Humberside, in particular.

At least 20 sets of nets and tackle, worth £3,000-£4,000 each, have been lost—which makes the Government statement a week ago that £50-000-worth of gear had been lost in this third cod war now look conservative.

Synthetic-net prices have risen 50 per cent. in the past two years, though Humberside suppliers say they hope this alarming rate will not be matched in the future.

Lost earnings for skippers and crews have been well-publicised. Less well-known is the drain on corporate earnings.

The British Trawler Federation recently forecast that the U.K. deep sea fleet would lose £5.5m. in the year ending this September — a figure which assumed only a small cut this year in the Icelandic catch.

Jobless rate

Unemployment in the casual system of fishing labour is less amenable to exact calculation. As a general pointer, the male jobless rate in the Hull area is 10 per cent., compared to the national male average of 6.9 per cent.

At present, there are some 600 trawlermen receiving unemployment benefits in the city—some of these, of course, are following the old custom of taking a holiday by skipping a fishing trip.

The membership of the Hull Guild of Skippers and Mates has dropped from 300 to 190 in just over a year. Some of the casualties have found work in the oil rig supply business and tramp shipping and coastal gravel dredging.

Others are prepared to go further afield. Last Sunday, four skippers from Hull flew out to South Africa to start deep-sea prawn-fishing out of Durban. More may follow.

Training

The White Fish Authority has organised a few jobs for U.K. skippers in fish-training programmes in the Gulf. Job prospects in Newfoundland had been held out, but have not yet materialised.

Dock labour (termed "bobbers" in Hull and "lumpers" in Grimsby) have been cut back but not as much as in the ship repair and maintenance field. Here, 300 jobs have already been lost in Hull this year and more are on the way.

One of the hardest-hit has been the fish merchant, the dockside wholesaler who sells to the high street fishmonger or fryer. More than 50 per cent. dependent on Icelandic catches, the number of Hull fish-merchant companies has fallen from 250 a few years ago to 87 now.

The under-employment among those still in business is evident. At an early morning auction in Hull last week, one could observe a small army of fish merchants and "bobbers" descend on a solitary trawler load of Icelandic cod only to find themselves beaten to it by the big frozen fish fraternity, Findus and Bird's Eye, anxious to keep their processing lines running.

One landing a day is not unusual these days at the Hull piers designed, with their vast hangars, to accommodate dozens of simultaneous auctions.

Terry Kirk

A "Bobber" weighing out a kit of freshly landed cod on the quayside at Hull. Each kit weighs approximately 10 stone.

HOME CONTRACTS

Land & Marine's £1m. North Sea gas role

LAND AND MARINE ENGINEERING, Bromborough, Merseyside, has been awarded a contract by Shell U.K. worth about £1m. for the pulling of the Brent natural gas pipeline from the North Sea to landfall at Rattray Head, St. Fergus, near Peterhead. Two 150-ton winches, based on shore in double-purchase to give a 600-ton pull, will take the 36-inch diameter pipeline from the Santa Fe laybarge stationed some 1,700 metres offshore. All shore works associated with the landfall pull will also be undertaken by Land and Marine, including construction of a steel-sheet piled cofferdam through the sand dunes.

*

DUNLOP'S transportation systems division has won a contract worth almost £1m. for the installation of passenger conveyor systems at Gatwick Airport. The 1.4 metre wide conveyors will be in the airport's quarter-mile-long central pier. They are wider than previous installations to allow passengers with luggage trolleys to pass one another.

*

N. G. BAILEY AND CO., Bradford, has won an order worth more than £1m. in connection with electrical engineering services for the new South Teesside Hospital, phase 1, at Middlesbrough.

*

HYDROMARINE, Galway, has won a contract worth more than £600,000 from Marathon Petroleum Ireland to supply six 800 KW gas turbine generators to be used as the central power plants on two production platforms in the Celtic Sea. The power plants will be run on natural gas produced on the platform.

*

RAYTHEON COSSOR DATA SYSTEMS, Harlow, Essex, has won a contract from Macarthys worth £540,000 for the supply and installation of PTS 100 terminals and printers. The order, in two phases, is for a total of 152 PTS 100 programmable terminals and 43 printers which are to go on-line to Macarthys four Univac 90/30 computers at their Romford, Essex, headquarters. Modems for the system are to be provided by Racal Milgo. The first phase of the contract, worth £235,000, is for the supply and installation of 68 terminals and 17 printers to eight of Macarthys depots.

*

MARCONI MARINE, a GEC-Marconi Electronics company, has obtained a further order for supply of radio communications equipment to a North Sea oil platform. It is from Occidental of Scotland, Inc., and calls for equipment for its Claymore A platform. This follows orders from Occidental for similar radio equipment installations on the Piper A platform.

*

BAKER PERKINS, Peterborough, has received an order worth more than £360,000 from the London Co-op for a new automatic bread plant at its Palmers Green bakery. Baker Perkins will also advise on retention of existing plant and carry out overhaul of items that will be re-used.

*

PLESSEY RADAR, Addlestone, Surrey, has been awarded a £500,000 extension to a contract from the Civil Aviation Authority. This is for the Processed Radar Display System (PRDS) awarded by the CAA last year with an initial value of over £2m. The additional equipment will provide computer processing of the primary and secondary radar data to controllers who look after flights outside the main airway corridors. These middle air space controllers will have additional flexibility to select the data they require, together with superimposed en-route airways maps, for presentation at their display consoles. PRDS will operate in conjunction with the existing IBM 9020D Central Computer Complex at the London Air Traffic Control Centre at West Drayton, Middlesex.

*

SQUIRE W. SWIFT, Selby, Yorks., has been awarded a contract from the Northumbrian Water Authority worth £251,287 for extensions to Alnwick sewage treatment works.

*

TUKE AND BELL, Horsham, Sussex, has been awarded a contract by the South West Regional Health Authority to design and supply specialist control and pumping equipment for the Ham Green Isolation Hospital, Bristol. The company has developed a special control panel which, through a system of interlocked electrically operated control valves, ensures sewage cannot enter the main drainage system without treatment. Spindle pumps will also be installed to recirculate contents of holding tanks by more than 20 times during the chemical dosing process, to allow complete treatment by chemical additives.

*

AIR PRODUCTS, Bracknell, Berkshire, has received a contract from Tobler Suchard, Bedford, to supply liquid nitrogen for a freezing application in confectionery manufacture.

*

COSTAIN RENOVATIONSs has won three contracts in London totalling more than £250,000. The first is for alterations to the Victoria Ward, Hunts House, at Guy's Hospital. The second, also at Guy's, is for similar work in the neurology department. The third order for the Prudential Assurance Company, is for improvements and repairs to its property in Cannon Street, E.C.4. It includes installing central heating, a lift and motor room and mechanical services renovation.

*

BURROUGHS MACHINES has received an order from United Biscuits for 12 B80 computer systems worth more than £225,000. These will be installed at UB plants in London, Liverpool, Manchester, Glasgow, Worcester, Ashby-de-la-Zouche, Halifax, Carlisle, Grimsby, Teesside, and Rotherham. They will work on-line to the group's central computer in Liverpool, sharing the network already operated between there and 30 distribution and manufacturing locations.

*

CLARKE CHAPMAN, Derby, has received a £135,000 contract to supply, instal and commission a lead oxide paste recovery plant for Chloride Automotive Batteries at Dagenham, Essex.

*

PIRELLI GENERAL has been awarded a contract for the supply of electric cable for the first gas production platform to be built for the Celtic Sea. The order has been placed by M. F. Kent and Co., who will be carrying out the installation for Marathon Petroleum Company (Ireland). The platform will be used in the Kinsale Head natural gas field.

BUSINESS AND INVESTMENT OPPORTUNITIES

READERS ARE RECOMMENDED TO TAKE APPROPRIATE PROFESSIONAL ADVICE BEFORE ENTERING INTO COMMITMENTS

PARLIAMENT

Rees set on review of border procedure after SAS charges

BY JUSTIN LONG, PARLIAMENTARY CORRESPONDENT

GOVERNMENT aggravation over the charges brought by the Irish authorities against the eight SAS members showed clearly in the Commons yesterday despite diplomatic restraint in a further Ministerial statement.

The procedures covering accidental border crossings such as occurred in the case of the SAS men last week must be reviewed to prevent misunderstandings, said Mr. John Concannon, the new Minister of State, Northern Ireland.

He agreed with a Tory questioner that there had been "quite a number" of accidental crossings—by the Irish Republican security forces into Northern Ireland as well as in the other direction by U.K. soldiers.

But only in last week's case had any charges been made. And this, it was clear, was the reason for the irritation betrayed from the Government front bench.

"It is the usual practice when the mistake is discovered for the units concerned to be informed and the troops to be returned," said Mr. Concannon.

Only the day following the arrest of the SAS men—who were brought before the Special Criminal Court in Dublin—there had been two further border-crossing incidents. "In both cases the matter was handled locally," the Minister told the House. "In one case, the border was crossed during an agreed change of escorts.

"Mr. Merlyn Rees, Northern Ireland Secretary, who visited troops in border areas May 8 is determined that the procedures in such cases should be reviewed to prevent misunderstandings.

MR. JOHN CONCANNON

"Accidental crossings both ways."

"While the border is crossed occasionally by security forces, despite all precautions, it is crossed time and again by the brutal criminals whom the security forces are seeking to apprehend. In the view of Mr. Rees, this is the problem we really have to tackle."

Dealing with the escape of prisoners from the Maze, Mr. Concannon assured MPs that security at this prison was being reviewed constantly and enquiries into the escape were being continued.

Mr. Enoch Powell (UUU, Down S.) who had raised these questions, urged the need for a better co-operation on border problems with the Irish Republic.

He added ironically that the standard of location finding and map reading should be improved so that people could not observe that "those who do not know where they are themselves are unlikely to be able to find terrorists."

From the Labour backbenches, Mr. Phillip Whitehead (Derby N.), suggested that if the "scourge" of terrorists in the border area was to be combatted, the Government should make a fresh approach to the Irish Republic on a proposal that joint patrols comprising members of the security forces of both sides might be carried out.

Mr. Concannon indicated that every viable method of co-operation would be open to discussion.

Mr. Airey Neave, Opposition spokesman on Northern Ireland, deprecating any contention that the SAS were not performing their duties in a less than praiseworthy manner, also stressed that Irish Republican forces had made inadvertent border crossings without anyone making heavy weather of the incidents.

The Minister was also asked if the Government had applied for the extradition of the two escaped prisoners now held in the Irish Republic.

Mr. Concannon said the new Act making provision for extradition from the Republic would not come into effect until it was signed in a few days time.

Revenue proposals attacked

Financial Times Reporter

CONSERVATIVE MPs continued their campaign in the Commons yesterday against proposals in the Finance Bill to increase the powers of the Inland Revenue.

Mr. Nicholas Winterton (C., Macclesfield) asked how many letters the Chancellor of the Exchequer had received from members of the public in connection with the proposals in the Bill to permit tax inspectors to enter private premises.

Mr. Robert Sheldon, Financial Secretary, replied: "One letter has been received by Mr. Joel Barnett, the Chief Secretary to the Treasury. I cannot trace any others at present."

Mr. Winterton also asked if tax inspectors would be permitted to confiscate any documents from a householder if they judged that such documents were necessary to their investigation.

Mr. Sheldon answered: "Under the proposals in Schedule 6 of the Finance Bill an officer of the Inland Revenue who enters and searches premises under a warrant from a Justice of the Peace in cases of suspected tax fraud may remove any documents which he reasonably believes may be required as evidence in proceedings in respect of such an offence.

"Such documents are returnable at the end of any proceedings or if eventually not required."

Replying to a further question by Mr. Winterton, Mr. Sheldon stated that an officer of the Inland Revenue when so authorised by a warrant issued by a Justice of the Peace under the proposed new powers, may enter premises covered by the warrant and search them whether or not the owner is present.

Broadcasting plea . . .

PERMANENT broadcasting of Parliament should go ahead as quickly as possible, Mr. Ioan Evans (Lab., Aberdare) said in the Commons yesterday. He urged a speedy report by the joint Commons and Lords Committee now considering the subject.

Mr. William Price, Parliamentary Secretary, Privy Council Office, said that as a member of the committee, he also hoped a report could be produced urgently. But difficult problems included accommodation and the type of broadcasting.

. . . and faster work study

MR. MICHAEL FOOT, Leader of the House, yesterday announced the setting up of a Select Committee to look into ways of streamlining Parliament's work.

Wider use of council equipment agreed

TOWN HALL computers will no longer lie idle when not in use by councils, MPs decided yesterday.

Local authorities will be able to hire their computers or printing equipment to other organisations—but they will not be able to go into business, Mr. Guy Barnett, Environment Under Secretary, told the Commons.

He was introducing a new Government clause to the Local Government (Miscellaneous Provision) Bill to make better use of equipment run by local authorities without allowing it to be used commercially.

Mr. Keith Speed, Opposition spokesman, welcomed the proposal, which was then accepted unopposed.

During report stage debate on direct works undertakings, Mr. Speed said accounting methods were totally inadequate and should be brought up to date.

He urged the Government to see that direct works undertakings were treated as trading services. Tendering should also be adopted for 80 per cent. of the value of all works and all costs should be accounted for. This was the best way for the ratepayer to get value for money.

Mr. Barnett said that it was too complicated a matter to be dealt with at this stage, because of the technical issues involved.

The Bill was restricted to precedented provisions, and what the Opposition was suggesting did not come into that category.

Raising the question of municipal trading, Mr. Ivor Clemitson (Lab Luton E) said it was absurd, costly and outdated for local authorities to have to seek special powers. "They should be given every possible encouragement to be enterprising and show initiative."

He suggested that councils should be allowed to start businesses which, in their opinion, would make a profit over a five year period. This would go a long way to restoring the provisions in the recently rejected West Midlands County Council Bill which had included an extensive range of municipal trading.

He was supported by Mr. George Rodgers (Lab. Chorley), who said municipal trading would help the "stricken ratepayer" by providing a new source of revenue for local authorities, and better use of local authority resources.

Mr. Speed rejected the idea. "There is not enough expertise among the officers and councillors going spare for them to extend their activities in this way," he said.

Local authorities should concentrate on their existing duties.

Energy restriction power refused

A GOVERNMENT attempt to restore to the Eenergy Secretary (Mr. Benn) powers which had earlier been removed from the Energy Bill was defeated by 18 votes in the Lords yesterday.

An amendment to give him the right to prohibit the use of energy and to regulate the price of petrol was rejected by 77 votes to 59.

Peers were discussing the report stage of the Bill which makes new provisions for energy conservation.

Moving the amendment Lord Shepherd, Leader of the House, said: "We believe it to be essential to have a power under which the voluntary effort to save energy can be backed up by statutory restraints."

Lord Strathcona, for the Opposition, described the proposal as "a highly objectionable feature" of the Bill.

He said: "I think we have become somewhat mesmerised by the journalists' shorthand of the so-called energy crisis. One of the conceptual difficulties we have had during discussion on this Bill is of defining what is meant by 'energy crisis.'

"We do not like the Government's attempt to restore unequivocally the system of price control." He added that price control could very often be exactly opposite to the concept of energy saving.

The Government suffered a second defeat when an Opposition amendment exempting oil refineries from the need to obtain the Energy Secretary's consent before flaring surplus gas was approved by 55 votes to 49, a majority against the Government of six.

The vote was forced despite hopes expressed by Lord Kirkhill, Scottish Minister of State that the Government could agree on a formula with the refining industry which would separate essential from non-essential flaring, so that consetn for essential flaring could be given by general order.

Lord Kirkhill added: "The interests of conservation demand that tight control is kept over non-essential flaring."

Moving the amendment, Lord Campbell of Croy (C) said that other industrial plants might have the ability to conserve gas by a shut-back of supply. But the conservation aspect in refineries was quite different.

He said: "The gas produced in refineries is linked to the total activity of petroleum refining. We believe the Government have not thought this out and have not recognised the safety and operational requirements of oil refineries."

Left presses Mason

FIVE LABOUR Left-wingers pressed the Government in the Commons yesterday over its policy on the nuclear depth bomb for use against submarines by tabling 25 questions for written answer.

Mr. Roy Mason, Defence Secretary, told Mr. Arthur Latham (Paddington), Miss Jo Richardson (Barking), Mr. Robin Cook (Edinburgh Cent.), Mr. Bob Cryer (Keighly) and Mr. Frank Allaun (Salford E.) that he was satisfied with the procedures for the safety of our own forces should nuclear weapons have to be used.

Nuclear depth bombs for anti-submarine warfare had been available to Nato for many years.

Mr. Mason said the Soviet Union also deployed nuclear depth bombs with its forces.

The Nato bombs were developed and manufactured by the U.S. and by the U.K. Some were available to be deployed by the British forces in support of the Nato strategy deterence.

Borrowing requirement

BY JUSTIN LONG, PARLIAMENTARY CORRESPONDENT

THE TREASURY is arranging for earlier regular publication of the Government's borrowing requirement during the course of the year. Mr. Joel Barnett, Chief Secretary to the Treasury, told the Commons yesterday.

The intention is to issue a monthly Press notice giving details of the transactions on the Consolidated Fund and National Loans Fund and other funds and accounts which contribute to the Government's borrowing requirement.

"Figures will be given to the end of the preceding calendar month and will normally be published on the seventh business day thereafter," said the Minister in a Parliamentary written reply. "The separate publication of most of these figures in the London Gazette will be discontinued."

Minister denies wide aid misuse

FINANCIAL TIMES REPORTER

THERE IS no evidence of widespread misuse of assistance provided by the Government under the Industry Act in Wales although an allegation concerning one Welsh firm is still being investigated, Mr. John Morris, Secretary for Wales, told the Commons yesterday.

He had been questioned by Mr. Fred Evans (Lab. Caerphilly) about serious allegations made against firms in the Rhymny Valley by the chairman of the Welsh Nationalist Party.

The allegations, he said, had received intensive publicity although "apparently the courage to name the firms publicly is lacking."

Mr. Morris stated: "Since I took over responsibility in Wales for assistance under Section 7 of the Industry Act, I have received representations which name only three firms.

"I have no evidence of widespread misuse. In two cases no evidence was found to substantiate the allegations. The remaining case involves an allegation which falls within the responsibility of the Secretary of State for Industry who is at present looking into the matter. I have nothing to add."

Soviet deal worth £29m.

CONTRACTS TO a total value of approximately £29m. have already been signed under the Anglo-Soviet trade deal negotiated by Sir Harold Wilson in 1975 and further substantial contracts are under discussion.

This was reported to the Commons yesterday by Mr. Edmund Dell, Secretary for Trade who told MPs that a meeting of the U.K.-USSR joint commission under the chairmanship of himself and Academician V. A. Kirillin would be taking place this week during which he would be emphasising the need to bring current negotiations to a speedy and successful conclusion.

More civil servants

THERE WERE 745,120 civil servants in post on January 1 this year, Mr. Charles Morris, Minister of State, Civil Service Department, told the Commons yesterday.

Mr. Toby Jessel (C., Twickenham) said the figure represented an increase of 58,000 since October, 1974. He asked when the Government would control administrative costs and ease crippling tax rates.

Mr. Morris agreed there had been an appreciable increase but the figures he had given included 20,862 people at the Employment Services Commission who became civil servants on January 1 this year.

Rabies debate refused

AN MP's demand for an emergency debate on the rabies threat was rejected by the Speaker, Mr. George Thomas, in the Commons yesterday.

The call came from Mr. Robert Adley (C. Christchurch and Lymington) who said the maximum fine of £400 for contravening quarantine regulations was wholly inadequate. "There is a need for mandatory prison sentences and the destruction of illegally-imported animals," he declared.

Pointing out that rabies was already near the French Channel ports, Mr. Adley said it was only likely to reach Britain through "act of man, not God." Once here, the disease would not easily be eradicated.

Farm Bill wins first reading

MPs AGREED in the Commons yesterday to the introduction and formal first reading of the Farmworkers' Collective Bargaining Bill, sponsored by Miss Joan Maynard (Lab., Brightside) which converts the Agricultural Wages Board into a joint Industrial Council.

Miss Maynard also wants "development of voluntary machinery for regulating terms and conditions of employment for farmworkers."

Ticket touts —no action

THE SUPPRESSION of ticket touts is "not a suitable matter for the criminal law" Mr. John Fraser, Minister of State for Prices and Consumer Protection, said in a Commons written reply yesterday.

Mr. Gwilym Roberts (Lab., Cannock) had asked whether the selling of tickets for sporting and other entertainments at above face value should be made an offence.

MIDLANDS COAL EXPANSION

A four-year drilling programme has resulted in a major extension of the boundary of the Warwickshire coalfield. The discovery means that the 1m. tons per year Daw Mill Colliery should double its output.

LABOUR NEWS

London busmen say yes to £2

BY DAVID CHURCHILL, LABOUR STAFF

PAY RISES of less than £2 a week were accepted yesterday by a mass meeting representing London's 23,000 busmen. The busmen, mainly members of the Transport and General Workers' Union, reluctantly agreed to the increases after having initially pressed for substantial rises to keep pace with the increase in the cost of living.

Under the settlement, backdated to the beginning of April, London Transport bus conductors will receive a supplement of £1.94 a week while bus drivers will get £1.82. Drivers of the one-man operated buses will receive an increase of £1.17. The rises will not count in calculating over-time pay.

TGWU representatives accepted that, despite prolonged negotiations, threshold increases given over the past year had to be offset against the £6 allowable under present pay policy.

The LT workers, who were one of the few public sector groups last year to win threshold agreements against Government opposition, had been given three rises under the agreement since April 1975—two of which were during the present policy.

Under the threshold agreement, which gave 0.75 per cent. increases for every percentage rise in the cost of living, the basic rate had increased far less than the rise in average earnings. Since last July, for example, a bus conductor has had a £2.53 increase in the basic but about £4 rise in average earnings.

The TGWU negotiators had argued that the basic rate increase should be offset against the £6 but finally accepted pay policy guidelines which specified increases in earnings.

Meanwhile more than 11,000 provincial bus workers have protested to the TUC and Department of Employment that a pay increase of around 5 per cent. given last October under a two-stage pay agreement will mean that no increase can be given until this October under the 12-month rule. The provincial bus workers were due to renegotiate their pay from this month.

Single-company union 'more vulnerable'

BY OUR LABOUR STAFF

SINGLE-COMPANY UNIONS, especially small ones, were on the face of it more vulnerable to employer interference than broadly-based unions, Mr. John Edwards, the Certification Officer, said yesterday.

This could make it harder for them to prove independence as defined by the Employment Protection Act.

Mr. Edwards is in charge of the Certification Office set up under the Act.

He was explaining the criteria by which he and his staff decided whether to issue a certificate of independence, which allows a union to take recognition claims to the Advisory Conciliation and Arbitration Service, and ultimately seek a ruling from the new Central Arbitration Committee.

No applications for a certificate have yet been refused, despite objections by rival unions in some cases. So far 74 unions have received certificates, of which 60 are TUC affiliates. Applications from 83 more, including a number of small, mainly staff, unions of the kind Mr. Edwards was referring to, are being vetted.

Speaking to the annual general council meeting at Bournemouth of the General Federation of Trade Unions, representing many small unions, Mr. Edwards said his department was particularly anxious to find out how much financial and other support unions got from employer sources.

"We have to balance the value of that support against the union's own resources: and if the former exceeds the latter by a substantial margin there must be a *prima facie* risk of employer interference.

However, we do not regard the result of these calculations, or indeed any other factor taken in isolation, as absolutely conclusive."

Of the 436 bodies listed as trade unions under old legislation, 158 have received or have applied for certificates.

French approach to U.S. worries aerospace staff

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

THE BRITISH Aerospace Staffs Association, representing industry workers, has expressed concern at the current French efforts to link up with the U.S. aerospace companies on the next generation of civil airliners rather than pursue a European approach.

Mr. Ted Briggs, general secretary of the BASA, in a telegram to Mr. James Callaghan, the Prime Minister, says the association deplores "the reported French decision to abandon the Common Market spirit of co-operation in civil aviation by giving preference to partnership with the U.S.

"We urge the British Government to make the long-overdue policy statement as to their intentions for the future of our industry, and to use all available means to encourage France to discontinue the action which will kill all hopes of a successful European aerospace industry."

The workers' concern follows the reports that the two main French companies, Aérospatiale and Marcel Dassault, are discussing with Boeing and McDonnell Douglas the possibility of collaboration on new civil airliners.

This is a topic which Lord Beswick, chairman of the British Aerospace Organising Committee set up to prepare for nationalisation, is to discuss with General Jacques Mitterand, president of Aérospatiale, when the two meet on May 19.

● British Airways workers are to hold a non-disruptive mass meeting to-day in protest against the Chancellor's Budget proposal to tax the concessionary fares they are allowed at the full rate of 35p in the pound.

Plastic workers' strike is made official

BY IAN HARGREAVES, LABOUR STAFF

A WEEK-OLD strike by 50 production workers at East Coast Plastics, North Walsham, Norfolk, has been made official by the Union of Shop Distributive and Allied Workers. The strikers, whose basic pay is £27 a week, are claiming the maximum of £6 allowed under the present pay policy. The company has offered £3.50.

A union spokesman said the case was "a classic example of low-paid workers being denied the full £6. The company says it cannot afford to pay, but many of its competitors are paying higher rates."

The union's threat to activate its Boots factory and warehouse members in support of a claim for better recruiting facilities among the company's retail staff was carried a step further by the executive yesterday.

Retail sections have been asked to report on management attitudes to recruitment at local level and at the same time discussions with production and warehouse sections on suitable forms of industrial action are to go ahead.

Possible measures include the stemming of supplies of merchandise to stores where union recruitment is not being encouraged.

Union drive for IBM

BY IAN HARGREAVES, LABOUR STAFF

THE MOVE towards unionisation at IBM has taken a new turn with the announcement of a large-scale recruiting campaign there by the Electrical and Engineering Staff Association, the white-collar section of the Electrical and Plumbing Trades Union.

A claim for recognition at IBM by the Association of Scientific, Technical and Managerial Staffs is still in the hands of the Advisory Conciliation and Arbitration Service, to which it was referred under Section 11 of the Employment Protection Act when the union was rebuffed earlier this year.

The prize at IBM is potential recruitment of a highly qualified and well-paid staff of around 13,000. Mr. Tom Rice, national officer of the EESA, said his union was aiming for members at all levels, including senior management. The union claims about 500 members in the company, most of whom have retained membership from previous employment.

"The company's attitude to trade unions is infamous, but there is no doubt that IBM is going to become unionised. It is one of the last giants in this country to avoid the unions and I don't see any reason why it should continue to have a unique place in industrial relations," said Mr. Rice.

The EESA believes it is well qualified to recruit at the American multinational IBM because of its experience at companies such as Rank Xerox and ICL. It is in close touch with its U.S. counterpart, the Electrical Workers of America, on the best way to tackle IBM in Britain.

So far the campaign has been confined to a polite exchange of letters between the union and the company, and distribution of a leaflet saying that "the ea[...] days of industrial relatio[ns] when it was "possible to ne[go]tiate on an individual ba[sis] within the small companies t[hat] existed" are past.

"IBM employees receive g[ood] pay and working conditions, [but] are they consulted or invol[ved] in the way employees expect [to] be in other companies" asks [the] leaflet.

The claim by ASTMS directed at IBM's Greenock manufacturing centre. The co[m]pany says that the union's me[m]bershhip there is too small [for] merit recognition.

IBM's formal position [on] union membership is that st[aff] may belong to unions if they choose, but a sophisticated structure of in-company gri[ev]ance procedures and the [fact] that all employees are given staff status does, unions fe[el,] militate against recruitment.

ASTMS urged to back protest

By Our Labour Staff

THE 370,000 members of th[e] Association of Scientific, Technical and Managerial Staffs were yesterday urged by Mr. Clive Jenkins, union general secretary to "actively support" a 24-hou[r] protest later this month at th[e] cuts in public expenditure an[d] the high level of unemployment.

The protest, which is bein[g] organised as part of a nationa[l] demonstration on May 26, i[s] expected to include token strik[e] action by some ASTMS member[s].

Speaking on the final day [of] the ASTMS annual conference [at] Eastbourne, Mr. Jenkins urge[d] his members to "unite to oppos[e] the economic strategies whic[h] condemn us to a permane[nt] pool of unemployment."

These strategies, he adde[d] were deplorable in economi[c] terms and unacceptable in huma[n] terms. "We need to have more active and decisive polic[ies] to put people back to work," [he] said.

Among the economic policie[s] advocated by ASTMS are selective import controls and utilisin[g] capital from City institutions an[d] pension funds to increase investment in industry.

Militance

During the conference, M[r.] Jenkins had also predicted th[at] the threat of redundancies in th[e] coming year could lead to mor[e] militant action by trad[e] unionists. He told delegates [to] expect a record amount of th[e] union's income to be spent [on] disputes arising over the emplo[y]ment situation.

Mr. Len Wells, ASTMS president, in his address to the co[n]ference, warned that there w[as] also potentially more harmf[ul] effects on jobs from the "larg[e-]scale cuts and cancellations [in] research and development pro[]grammes." He announced th[at] ASTMS was to launch a campaig[n] to draw attention to the lon[g-]term affects of these researc[h] cuts.

Mr. Wells also accused th[e] Press of "boycotting" decision[s] taken by the conference. "Th[e] Press do not like the decisio[ns] we are taking and I think th[at] means we are taking the rig[ht] decisions," he said.

Employment agencies Bill soon

By Our Labour Staff

THE GOVERNMENT is shortl[y] to introduce legislation to control private employment agencies which some trade unions were seeking to have banned entirely.

Legislation to be laid before Parliament shortly would enable the Government to license agencies with a view to ensuring they are not aiding what some unions see as "cut-price" employment.

Unions in general and th[e] Association of Scientific Technical and Managerial Staffs i[n] particular have claimed th[at] agencies often undermine the[ir] position by supplying "chea[p] labour" because employers a[re] not obliged to enter into th[e] usual provisions for holiday pa[y,] national insurance and oth[er] standard commitments.

TSSA leader attacks BR Board

By Our Labour Staff

THE BRITISH Railways Boa[rd] was strongly attacked by a [r]union leader yesterday as bei[ng] out of touch with its proble[ms] and "drifting on no defin[ite] course."

Mr. Tom Bradley, president [of] the Transport Salaried Sta[ffs] Association and chairman of [the] Labour Party, called on BR's n[ew] chairman, Mr. Peter Parker, [to] strengthen his Board.

"He might consider strength[en]ing his Board with a few pe[di]gree railway men. His pres[ent] colleagues are long on acco[un]tancy and short on railw[ay] experience." Mr. Bradley t[old] the TSSA annual conference [in] Scarborough.

The Board was "negative, [un]forthcoming and full of s[elf-]justification."

The Executive's World

EDITED BY JOHN ELLIOTT

Big brewers have had to contend with one of Britain's few effective consumer pressure groups. **Ken Gooding** assesses CAMRA's impact both on drinking habits and on the industry's products.

Pressure for real ale

CHRIS BRUTON is a 31-year-old research chemist who has just become chairman of the Campaign for Real Ale, the consumer organisation which has caught the public's fancy more than any other such pressure group over the past few years.

Formed in 1971, it has grown to a membership of 30,000 and is able to put over its case extremely effectively, aided to a great extent by a willingness among newspapers, radio and television to give the Campaign time and space.

But CAMRA—whose 30,000 membership compares with 600,000 in the broader based Consumer Association — has reached a crucial stage in its development. It has just become a limited company, which is one sign of its need to tidy up its structure and concentrate on moving out of a loss-making rut. There are also some ominous *signs that it might be running* out of steam. Certainly, after a very fast rise, the membership total has levelled off.

When it was set up, CAMRA's immediate aims were to support *the continued production of* cask-conditioned ale, that is beer which is fermented in casks *as opposed to that which* is pasteurised at the brewery and delivered to pubs and other outlets in *sterilised kegs*. It also promoted the dispensing of beer by handpumps or gravity *rather than by gas pressure.*

Revitalisation programme

Perhaps its luckiest moment in the early days was when it changed its name. It started as the Campaign for the Revitalisation of Ale which was too much of a mouthful, although an exact explanation of its objectives. The inspired use of the expression "real ale," which replaced the old title, not only captured the public's imagination but infuriated a good part of the brewing industry. By using "real" for the beers it backed the Campaign seemed to be suggesting that other beers were "false" or "artificial." This is something brewers have been denying with great fervour ever since the expression became established; but their objections have not been helped by the way some of the smaller brewing groups have used the term to promote their own beers. Even Chris Bruton says: "There is nothing nasty about keg beer—it is just characterless."

He maintains that CAMRA's big success so far has been to bring the issues to the notice of a public which previously seemed to have little or no interest in the way the older beers were disappearing—the number of brands available has been halved *to around 1,500* since the late 1960s when the Monopolies Commission suggested pruning would be economic.

Other changes affecting the *types of beer since the war* seemed to emphasise the public's growing disenchantment with the *cask-conditioned product.* In the 1950s, sales of bottled beers soared. These were pasteurised beers and "dependable" at a time when the art *of looking after cask-conditioned* beer properly in pubs was on the decline. The public then returned to draught beer when the "keg" types arrived on the scene so that "kegs" now account for 20 per cent. of total beer sales compared with only *2 to 3 per cent. 15 years ago.*

Lager sales accelerated

While the kegs dominated the 1960s, the major success in the 1970s has been lager. During the past decade, sales of this style of beer have accelerated until it has taken an 18 per cent. market share and the forecasts are for it to gain at least one-third of all beer sales by the mid-1980s. Against this prediction, the revival of interest in cask-conditioned types is, as one might put it, "small beer."

Norman Sprunt, retail director of Whitbread London for example, has said that this type of beer "will find its own level, forming a relatively small proportion of the total beer volumes."

And Watney's marketing director Anthony Tennant maintains: "There is a market for this type of beer but it is not as important as some people would try to make out—although for some small brewers the revival of interest has been very important indeed."

The impact that CAMRA has had on the brewing industry has also been over-rated in other ways. Its membership, to start with, is concentrated mainly in the South East — half the total live south of Bedford. The reason for this is that in most other parts of the country there is no shortage of cask-conditioned beers.

The brewers say that two pints of beer out of every ten sold in Britain are "cask-condition." But this ignores the CAMRA insistence that the beer should also be served without the use of gas pressure. Chris Bruton estimates that between a quarter and a third of the pubs in England and Wales serve some beer this way — but adds that the geographic spread of these pubs leaves much to be desired.

Courage, for one, admits that CAMRA was the main influence *behind its decision to put hand*-pumps back into its pubs. But even so this has involved only *150 pubs out of the 900 owned* by Courage in the Greater London area — although it says there might have been more if it could obtain enough hand-pumps and beer engines.

But Watney has turned its back on the idea of the old-style gravity pump and, with *CAMRA's co-operation, has* developed an electric pump which does not use gas to serve the beer. Again, though, this affects only the 150 pubs at which Watney is testing its new cask-conditioned beer — that is 10 per cent. of its total London pubs.

CAMRA has also gained a reputation for "bashing the big brewers" and, therefore, of championing the cause of the small fry. For example, there was a tendency for newspapers to give CAMRA all the credit when the smaller brewers reported that their sales were continuing to climb during the *first two months of this year* at a time when total U.K. beer production slumped significantly.

While the publicity about the quality and strength of beer played some part in the sales figures, much more important was the fact that the small brewers were well placed because of their concentration on relatively cheap beers at a time when the public was trading down to cheaper beers.

Neither has CAMRA been, as some would suggest, the "saviour" of the small brewing companies. It has been the "tied" house system, unique to the U.K., which has stopped the majority of small brewers going out of business completely. *This system, whereby the* brewer owns retail outlets which are "tied" to his beers, ensured *that the smaller companies* survived the enormous pressures put on them by their "*national*" *rivals with their* "national" brands.

The followers of CAMRA have, however, created a new interest in cask-conditioned beers and it has, therefore, been in the commercial interest of the bigger brewers to give the public what it is asking for—while charging quite a hefty price for the product.

CAMRA has not, on the other hand, been particularly successful as far as the less populated areas of the country are concerned. It has still to persuade the brewers—Watney mainly—*that it is worthwhile putting* cask-conditioned beer back into rural Norfolk, for example.

Ironically, the commercial arm of the campaign, an investment company called CAMRA (Real Ale) Investments which raised £195,000 from the public so as to buy pubs which would *follow the CAMRA ideals has* so far had to follow some policies exactly like those of the major brewers. *Thus it* has bought pubs in highly-populated centres often surrounded by other "real ale" houses. The reasoning is that these establishments will generate the profits which will enable the investment company to move into real beer "deserts" later on.

Run by a manager

And, although CAMRA insists that tenanted pubs are more congenial than those run by a brewer's manager its investment company uses managers simply because it could find no other sensible way of operating.

But it is important to stress that there is no corporate links between CAMRA and the investment company although of course there are shared ideals and a CAMRA shareholding.

Bruton admits that CAMRA itself is a middle class organisation and there are three graduates on the national executive. He points out, however, that people need to have time to spare to work for the campaign and they also need to have organising ability. (On this score CAMRA received a salutary lesson at a Covent Garden beer festival last year *where, not only were the crowds* kept waiting in crowded conditions and the beer often served *up in poor condition, but some*body actually managed to walk away with £1,700 of the *takings*).

CAMRA now has a full-time staff of nine working out of its *headquarters in St. Albans,* Hertfordshire.

Much more important then being too middle class, says Bruton is that the CAMRA membership is too young. He seems to hav eno answer to that particular problem except that CAMRA must confirm its role as "a consumers' organisation for all people who use pubs."

He hopes to shift the emphasis away from CAMRA being "anti-keg, anti-gas" and in future to concentrate on such topics as what goes into beer *and its availability and dis*tribution. He also wants CAMRA to become more in*volved with the people working* in the brewing industry through developing closer contact with *the unions involved.*

On beer ingredients, Bruton says: "The taste in beer comes from malt and hops. Brewers are putting in flake maize and rice and even pasta flour is being used. We feel the industry should be made to follow the standard practice in the food industry and state the ingredients used and the additives used."

Bruton also feels that the "tied" pub system has not been entirely in the best interests of the consumer and CAMRA is compiling dossiers on the monopoly grip some brewing groups have on particular geographic areas to see how tight it has become.

CAMRA must also give up any idea that it might achieve much at branch level, he says. "*We can best achieve our* objectives by concentrating our efforts nationally, by talking *directly to the directors of the* "big six" breweries. That way we can find out what they *are planning for the next* decade."

The big question is whether *CAMRA itself can last another* ten years. Some 20 years ago young drinkers would travel *miles to find a pub selling the* new keg beer, just as to-day they will pass many outlets to *find cask-conditioned* beer. It was the "fashionable" thing to do. When the latest fashion wanes, as it must do, CAMRA will then be able to see whether it has become entrenched as the "consumer organisation for the pub user" and whether its wider aims have found the following it needs if the campaign is to survive.

Trevor Humphries

Dr. Chris Bruton, chairman of CAMRA, with the type of Watney beer his organisation opposes and a brewers' dray from the "cask conditioned" house of Young and Company.

BOOK REVIEW

Insights to law on competition

Guide to Registration, Office of Fair Trading, free.

Competition Law of Britain and the Common Market, by Valentine Korah, pp.311, HB £8.00, Paul Elek, London.

Competition Law of the EEC, Supplement to September 1975, by James P. Cunningham, pp.397, HB £8.50, Kogan Page, London.

Antitrust Policy versus *Economic Power*, by Jack Aarts, pp.456, HB, D Fls.69.00, Stenfert Kroese, Leiden.

Europe's Rules of Competition, by Business International, Geneva pp.251, PB price not *stated*.

THE OBSCURITY with which U.K. statutes continue to be drafted is a heaven-sent gift for writers of legal books: every Act of Parliament of some consequence to the business community is immediately followed by thick volumes of commen*taries translating the Parlia*mentary draftsmen's jargon first into legal English for practising lawyers and then into almost plain English for managements.

The same process had to be expected after the extension of the Restrictive Practices legislation to services in March of *this year. However, this time* the Office of Fair Trading succeeded in taking the wind from *the professional writers' sails by* producing an admirably lucid guide which is much more than it claims to be. It can be warmly recommended to anyone wishing to become quickly and easily familiar with the main concepts of British restrictive practices legislation. Like all the best things in life it can be obtained free.

For more comprehensive information about the circumstances in which various kinds of restrictive practices and collaboration between firms are *likely* to operate against public interest, the reader can now turn to Valentine Korah's book, the main part of which is a completely revised and up-dated version of her Monopolies and *Restrictive Practices published* in 1968. The other part of the book—about a third of the text —*deals with the EEC law of* competition and its main merit is a lively presentation of the *differing concepts and of the* "dynamics" of the EEC judge-made law. Those who have a sustained interest in the law of competition will find Korah's book not only instructive but also entertaining.

By contrast, Cunningham's Competition Law of the EEC is a more structured book, *focused not so much on the* "dynamics" as on details of rules and decisions. The Supplement now published includes analysis of the many important decisions made in the three years to September 1975. These range from the great monopoly cases of Continental Can and Commercial Solvents to the series of trade mark and patent licensing cases which still continues.

Korah's and Cunningham's books are complementary, the first informing more about the way anti-trusters think, the second setting out the results of that thinking for quick refer*ence by company lawyer.*

The last two books also provide a useful contrast. The report *prepared for* Business International by Thomas Rauschenbach is a bird's eye view of competition rules, not only of the EEC but also of the individual member States and other countries of Western Europe. *The German section* benefited from the experience of the author's father, Dr. Gerhard *Rauschenbach, a leading practi*tioner in Germany. The other parts do not reach the same "definitiveness," but within the space available provide a wealth of information presented in a very readable style, a Europeanised version of American business journalese. Those with an appetite for a really substantial anti-trust feast will find it in Leonard Scott's translation of Aarts' well-documented study. It is an excellent source of information about the U.S. roots of anti-trust and a very interest*ing screening* of some of the European developments in this field through the mesh of American concepts. It is a book for those who are interested in the history and fundamental problems of efforts to check economic power of enterprises.

A. H. Hermann

Incomes policy

THE QUESTION of how to achieve a high output, high *earnings economy based on full* employment will be discussed in a one-day conference to-day *entitled* Pay and Incentives Policy after the £6 limit. Organised by the British Institute of Management, the conference will discuss such things as whether there is a formula to satisfy the needs for inflation control, fairness and protection for the lower paid. The conference is at the Hilton Hotel, Park Lane.

Foreign jobs attract

THE ATTRACTIONS of working overseas because of the lack of financial incentive and other factors in the U.K. remain strong, according to a management consultants' survey carried out among 396 executives. One leading overseas appointment is reported to have attracted applications from 34 finance directors of large U.K. companies and from 146 financial controllers of other leading U.K. *and international companies.*

The survey, carried out by Merton Associates (Consultants), showed that of the 396 sampled, 71 per cent. put "lack of adequate financial reward for *effort" as a reason for seeking* an overseas appointment, while 62 per cent. considered current Government policies to be a disincentive. More than one quarter felt a move abroad was the "only means of keeping children at public school," and almost 40 per cent. felt they could no longer afford to remain in the U.K.

But, despite this, few felt that Britain was a lost cause. Only 18 per cent. thought that "Britain is in decline. My future has to be abroad." And just under one fifth were seeking "new, challenging environment/pioneering spirit" overseas.

A somewhat surprising result of the survey was the relatively low proportion of the sample —36 per cent.—who considered that "taxation has removed my incentive."

It was felt by the Merton survey that the overall quality *and number of responses to its* questions was high. When executive searching activities were carried out more people than on previous occasions had shown a total willingness to investigate an overseas appointment, even if they were well settled in their U.K. environment.

Merton commented that the significance of its findings had been underlined recently with the issue by the Government of an analysis of all executives on the files of its professional and executive recruiting department, which showed that nearly 30,000 executives were wanting to leave Britain. This represented one-third of the total number on the register.

THE FINANCIAL TIMES

(Established 1888)

Incorporating THE FINANCIAL NEWS

(Established 1884)

Head Office Editorial & Advertisement Offices:
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TUESDAY, MAY 11, 1976

A sane voice in politics

THE RESIGNATION of Mr. Jeremy Thorpe from the leadership of the Liberal Party is likely to be viewed in two quite different ways. The first which concentrates on the immediate events surrounding his downfall, leads to the conclusion that he has been very hard done by. The second, which concerns itself with the wider political circumstances, tends to the recognition of a certain historical inevitability about the process.

There are elements of truth in both these attitudes. Mr. Thorpe's defenders are entitled to share his own evident disgust at many aspects of the affair. It is clearly unsatisfactory that allegations of the kind made by Mr. Norman Scott can be made and reported under the protection of judicial privilege. It is regrettable that many of Mr. Thorpe's Liberal colleagues in Parliament should have shown so little loyalty or liberality in their handling of a story which, even if it were true, would after so many years be no particular business of the world at large. It is undeniable that some of the Press handling of the issue has been needlessly cruel and tasteless.

No evidence

It may be said on the other side of this argument, and with some truth, that Mr. Thorpe himself has not handled matters very wisely and that a good deal of trouble could have been avoided if he had given a full account of his relationship with Mr. Scott at the beginning. But to this day there is no evidence either that Mr. Thorpe has lied to his colleagues or that he was personally party to the payment of money to keep Mr. Scott's mouth shut. On these points the onus of proof lies with Mr. Thorpe's critics, and it has not been discharged.

At the same time, political leaders cannot escape the facts of political life. One of these is that their position can only be justified by political success and another is that in its absence almost any excuse will be used to remove them. Seen in this context, Mr. Thorpe's decline and fall is neither surprising nor altogether unjust. He has been leader of his Party for almost nine years and his record, overall, has been creditable. At the 1966 election—the last before he became leader—the Liberals polled 2.3m. votes; in October 1974 they polled 5.3m.

He inherited a Party in deep financial difficulties and considerable ideological disarray and by hard work, high spirits and professionalism, restored its financial base and pulled it together.

Ambiguity

The trouble has come partly as a result of this success. The massive vote of 6m. in the February 1974 election raised expectations of a big breakthrough for the first time since 1950 and when it did not materialise and support began to drop back to the normal 9 or 10 per cent. level, which it is to-day, it was inevitable that restiveness should begin to appear. The value of Mr. Thorpe's breezy but somewhat mannered political style began to be questioned as inappropriate to modern conditions and, more importantly, the inherent ambiguity of the Liberal position, which earlier success had camouflaged, began to reappear. Is the Liberal Party aiming to retain the loyalty of the disgruntled Conservative voters who flocked to it in 1974, or is it posing as a more moderate, radical alternative Labour? Mr. Thorpe's increasing inability either to answer this question or to sidestep it is the root of his general difficulties, and, at no very great remove, the cause of his immediate problems as well.

His resignation will not in itself provide the solution to the dilemma, but it will at least give the Party a fresh chance to tackle it. It is no reflection upon an able and honourable politician to say that much as one may deplore the manner of his departure, Mr. Thorpe's natural span as leader of the Party was very near its end. He was and is a sane and engaging voice in British politics.

Outlook for higher prices

THE preliminary estimate of the volume of retail sales in March has now been revised quite substantially downwards. Instead of 106½, it is now put at 105.5, compared with the 107.1 of February. This suggests even more strongly than before that the rise in spending at the beginning of the year was mainly due to bargain-hunting at the annual sales, which were in many cases more prolonged than usual.

This drop in the volume of retail sales is clearly an effect of the squeeze on personal incomes, caused not merely by the general observance of the £6 voluntary ceiling on wage increases but more fundamentally by the recession and the unusually high level of unemployment. Recently, in fact, prices have been rising faster than earnings, and this is a process which must be expected to continue. The Chancellor has given warning that average living standards will continue to decline, though more slowly, in the coming year.

And it is clear that, even if he gets somewhere near his inflation target for the end of 1977, prices are likely to continue rising faster than earnings for some time to come.

Costs jump

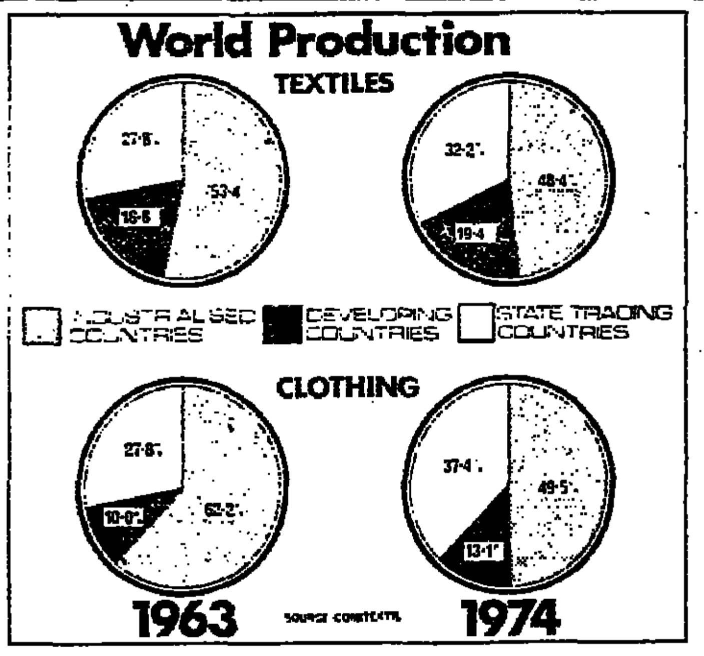
Some indication of future movements in the cost-of-living index can be gathered from the wholesale price indices: those for April were published yesterday. The index of prices for home sales of manufactured goods is not so remarkably good as in the previous month, when it rose by only 0.6 per cent.: it was up by 1½ per cent., about a fifth of which was due to the first effect of the higher taxation on drink announced in the Budget. But the output price index as a whole has risen by only 3½ per cent. in the past three months, compared with 6 per cent. in the same period last year.

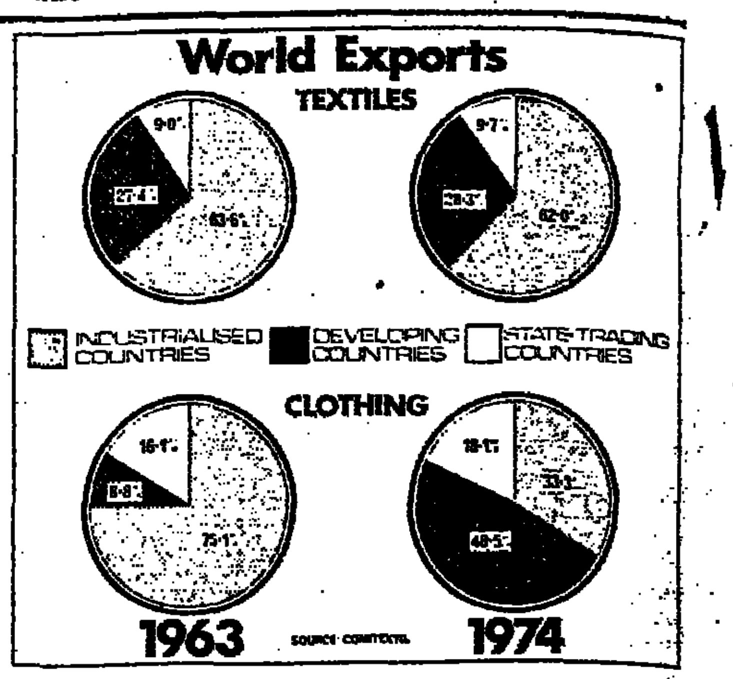
But the index of input costs tells a different and far less cheerful story. In March, the costs of industries other than food, drink and tobacco rose by 4.6 per cent., the largest increase in a single month since the oil crisis began to make itself felt at the beginning of 1974. In April, however, these costs rose by a further 4¾ per cent. Raw materials costs for the food processing industries rose relatively little. The main cause of these sharp rises was the fall in the value of sterling, exacerbated by increases in the world price of some important raw materials.

Profitability

It was inevitable that the fall in the exchange rate would raise the price of essential imports while giving an extra competitive edge to exports. It was, no doubt, a realisation of the consequences of a further drop which caused the TUC General Council to reach agreement with the Government so quickly about the shape of the next stage of voluntary pay restraint. If their proposals are passed by Congress and reflected over the months ahead in the behaviour of actual earnings, sterling may well recover some of the ground it has lost recently. Apart from its effect on the attitude of those who hold sterling, however, continued and effective wage restraint at a time of rising output would greatly assist to make U.K. goods more competitive and industrial profits more healthy. The fact that the TUC has agreed to certain revisions in the Price Code suggests that it, too, may be beginning to see the importance not only of profits but of profitability for employment.

The textile industry is criticised by Whitehall for its performance in design and exports, but many countries are suffering from the big shift to the East. **Rhys David** says the Government has 'goodwill.'





An uphill stretch for textiles

AS TEXTILES begin trying to climb out of their worst recession since the war, the industry is weighing up the latest indications of the Government's attitude to its problems. For at a conference organised by the British Textile Confederation in Harrogate recently, a gathering of industry leaders, including the chairmen of several of the biggest U.K. concerns, faced a fairly uncompromising address by Sir Peter Carey, who as Permanent Secretary at the Department of Industry has the greatest influence within the Civil Service on the shape of industrial policy.

Sir Peter spoke only days before the TUC's textiles, clothing and footwear committee presented its own case to the Government for further action to help the industry. The TUC pointed to a drop of some 72,000 jobs in textiles and clothing over the past two years—far more than were threatened by the possible closure of Chrysler—to a 32 per cent. drop in investment in 1975 and to a trade deficit for the industry of £224m. last year.

Pull up your socks

The TUC told Mr. Eric Varley and Mr. Edmund Dell, the Secretaries for Industry and Trade, that there were dangers that the steady reduction in the size of the industry may have reached the point where some links in the chain of production from raw material to end product may break.

For his part Sir Peter mixed some remarks on the importance of the industry as an employer, exporter and growth sector, and on Government support already being advanced, with some rather stiff calls for it to pull up its collective socks. The industry's record in terms of design, and in particular its performance in export markets were singled out as areas where very substantial improvements should be made.

But although the various contributions at the conference may have suggested that both sides were restating their positions—the textile industry looking for more protection and the Government stressing the need for the industry to improve its performance—there were perhaps some signs that more common ground now exists between the Government and the industry than for some time past.

The latest appeals from the industry for further action to deal with the problems caused by low-cost imports have coincided with the publication by Comitextil, the federation covering the main EEC textile associations, of a report which shows very clearly what has been happening to trade flows globally in the past 15 years.

It is now clear that a very substantial movement to both the developing countries and the State-trading countries has occurred in textile and clothing manufacturing over the past 10 years and during the 1970s in particular—with Europe and Japan, though not the U.S.

The developing countries managed to increase their share of textile and clothing exports to industrialised countries from 30 per cent. in 1970 to 42 per cent. in 1974 with their share of clothing exports alone rising from 41 per cent. to 57.6 per cent. Industrialised countries' sales to each other dropped from 65 per cent. of total exports to 51 per cent. While over the same period the EEC remained the world's biggest exporter of textiles and clothing with total exports doubling from \$3.659bn. in 1970 to \$7.4bn. in 1974, its imports climbed from \$2.074bn. in 1970 to \$6.743bn. The surplus the EEC was still managing to maintain on its textiles trade with the rest of the world in 1974 has probably been wiped out over the past year.

But although there has been a significant movement of manufacturing capacity and production to the East it is also clear that only some countries are benefiting from increased access to world markets, a point which, as much as the need to continue overall liberalisation of trade, should worry development bodies, like UNCTAD. These bodies are aware of the problems of increasing rich-poor divisions among the Eastern countries. The U.S. performance in world textile trade over the past few years is also interesting and suggests that, even after allowance has been made for a more restrictive approach towards imports, the competitive position of the U.S. industry has greatly improved. The U.S. has been pricing exports very keenly to Europe during the present recession—partly as a result of lower fibre feedstock costs—and has managed to increase its sales abroad by 166 per cent. between 1970-74. Imports grew over the same period by only 64 per cent.

The result has been demands by the industry for some indication that the U.K. Government or the EEC is prepared to recognise continued surges in import penetration as a source of possible long term damage, and to be willing to act. In particular improvements are being sought in the GATT Multi Fibre Arrangement (MFA), which now regulates world trade in textiles, when the next stage, due to begin at the end of next year, is negotiated.

Beating quotas

Though under this agreement the growth in imports from developing countries is limited to 6 per cent. per annum and much less where one country within the EEC has traditionally imported very large quantities from a particular source, the mechanism is generally felt to have been less effective than it might have been because of the recession. At a time of falling demand the assured growth rates given to the developing countries—anticipated in many cases by massive advance shipments designed to beat quotas or set high levels for quota assessment—have meant that importers have been able to increase their share of the market.

In dealing with these points at Harrogate, Sir Peter Carey may appear with hindsight to have been offering at least some of the assurance that was being sought. He made it clear, as was expected that the U.K. is committed to continued liberalisation of world trade in textiles and is unlikely to countenance any moves that would lead to a cut in imports.

Sir Peter did state, however, that the Government was anxious to modify and improve the MFA agreement within its present framework to provide the industry with sufficient protection—a word which does not regularly pass the lips of U.K. civil servants. He also dismissed the idea that the Government was in any way indifferent to the survival of textiles and clothing in the U.K.—a suggestion he described as absurd, and he pointed in particular to its importance as an employer.

This more positive approach can perhaps be seen as part of a general re-appraisal throughout Europe of the position of industries like textiles which in the days of rapid growth only a few years ago looked ripe for replacement by "modern technologically advanced industries." Already in Holland efforts are being made, as in Britain, to restructure the clothing industry and in Sweden strategic reasons have been invoked to justify protection for the shoe industry. The most important reason for this new approach is perhaps the realisation that alternative jobs for women are unlikely to become available if the textile industry disappears. But it is also possible that the danger is being considered of an OPEC-type situation arising should Europe become totally dependent on outside sources for its clothing.

The burden of the Government's message, as conveyed by Sir Peter was that having been given assurances that Whitehall wanted to see textiles survive, the industry must look to Europe: The point was that as a domestic producer within Europe it had certain advantages—proximity, the ability to develop close links with continental designers and retailers, and to respond quickly to fashion changes. To remain competitive the industry will have to invest and to justify such investment it will have to have the long production runs it can only get through a larger market. The comparison with the U.S. is clearly being made though British producers would argue this is taking too simple a view and that differences of language, national buying habits, and varying bureaucratic requirements make it much less easy to regard Europe as one market.

Nevertheless the Government's view apparently is that with the four biggest vertically integrated textile groups in Europe — Courtaulds, Carrington Viyella, Coates Paton and Tootal—Britain should be in a position to emerge as a major supplier to Europe. The smaller companies, which like the larger ones have the advantage of lower wage costs and a competitive currency, are also expected to emulate their bigger brothers.

Jobs at stake

The weakness which could dispel this vision could, however, be the EEC itself. Though the Community has achieved a fair degree of co-ordination in its approach to commercial policy in the MFA talks, in the industrial field the continued lack of cohesion as the EEC struggles to survive currency upheaval means that every country is still fighting for itself. With jobs at stake there has been a readiness by governments to come to the rescue or interfere in restructuring plans so that it may not always be the most competitive or efficient producers which will survive.

The EEC itself remains some way away from drawing up an industrial policy for textiles and its lack of action was recently the subject of heavy criticism during a debate in the European Parliament. Thus the co-ordination which is likely to be required if a competitive European textile industry is to emerge is at present missing, leaving each member to go ahead with its own plans to restructure the industry. Britain itself is doing this through Industry Act aid schemes for various textile sectors, and other countries including France and Italy are also acting to support their industries.

It is perhaps some consolation for the U.K. industry that Government action in this country has preceded some of the moves elsewhere. It also now has an assurance of what might be termed Government "goodwill." The task in front of it, however, still looks to be fairly uphill.

U.K. TEXTILES AND CLOTHING

TRADE BALANCE

£m.

	1968	1969	1970	1971	1972	1973	1974	1975
Textile fibres								
Exports	93.2	101.8	96.4	87.3	108.1	172.1	201.8	183.5
Imports	219.4	210.4	183.9	150.0	213.7	322.4	310.5	263.4
Balance	−126.2	−108.6	− 87.6	− 62.7	−105.6	−150.3	−108.7	− [illegible].9
Textile yarns, fabrics, etc.								
Exports	309.3	360.6	396.8	425.8	445.4	589.5	745.8	698.2
Imports	231.2	238.7	256.4	324.9	369.7	514.9	688.2	682.8
Balance	+ 78.1	+121.9	+140.4	+100.9	+ 75.7	+ 74.6	+ 57.6	+ 15.4
Clothing								
Exports	84.5	108.5	123.1	129.5	144.3	179.6	230.0	265.5
Imports	110.1	124.5	129.4	178.2	218.8	333.6	402.4	505.1
Balance	− 25.6	− 16.0	− 6.3	− 48.7	− 74.5	−154.0	−172.4	−239.6

Source: Department of Trade

MEN AND MATTERS

From academic to watchdog

"The academic world is not so remote or ivory towerish as it once was, and many people at universities are involved in outside interests." That was Gordon Borrie yesterday explaining why he felt that his predominantly academic background and lack of direct industrial experience should not be a handicap in his new job as Director General of Fair Trading.

Certainly no one could accuse Borrie of an ivory tower attitude. One of his major academic interests as Professor of English Law at Birmingham has been research into justice as it actually operates on the ground, and it was partly this interest in the consumer end of the legal profession which drew him into the wider realms of consumer protection.

Borrie says that his involvement in these areas can be traced back to the Moloney Report of 1962 which subsequently led to legislation on hire purchase and to the Trade Descriptions Act of 1968. Following that report Borrie got together with Professor Aubrey Diamond and in 1963 they produced "The Consumer, Society, and the Law." Up-dating this (a third edition was published in 1973) has helped to keep Borrie in touch with the welter of consumer legislation — including the Fair Trading Act itself which established the Office of Fair Trading in 1973.

As an acknowledged expert on the legal side Borrie has helped to frame some of the legislation. Although he takes no credit for setting up of OFT he is a fan of the system, and describes it as "a triumph of ingenuity on someone's part."

Borrie is also a fan of his predecessor, John Methven, the first director general of Fair Trading, who now moves on to become Director-General at the CBI. Borrie says that he plans to continue Methven's strategy of obtaining voluntary codes of conduct from industry and commerce rather than going through the heavy-handed process of enforcing codes set up by statutory instrument. He claims that he has no particular consumer axes to grind at the moment but adds: "Mind you, things might be different when I have got my feet under the table."

Under the sun

After that glorious week-end, the International Solar Energy Society probably chose a good day to talk about getting the sun to do some of the work which has up to now fallen to more humdrum commodities like oil and coal. With sun-tanned limbs all round, no one yesterday felt inclined to query the claim by Professor John Page, chairman of the society's British branch, that Australia receives only twice the solar radiation of the U.K., and the U.S. less than twice as much.

Page refused to be drawn by churlish suggestions that he had rushed out a bulky and very bullish report on British prospects on solar energy to counter the official view which is due soon in a study by the Department of Energy. That is likely to be a good deal less enthusiastic about sun spending.

The spoilsport Energy Department has already produced an initial assessment that no more than 0.8 per cent. of our energy needs could be sun-fulfilled by the year 2000. Page's study claims that the figure could be 10 or even 20 per cent. The disparity appeared to worry some rather un-sunny solar buffs lined up alongside him in the Royal Institution's lecture theatre, but Page radiated confidence. He reckoned the British section of the society faced "phenomenal growth," already being the second largest branch after the U.S.

As for the 375-page study itself, the main purpose is to persuade Government to step up spending on harnessing sunbeams, and Page said so great was the rate of progress on solar research and development that "bits of it are already out of date."

"It's part of his nationalisation plan—bash them one week and praise them the next."

Down to the sea

The changing world of U.K. shipbuilding will be reflected at this year's Posidonia exhibition, the shipping and shipbuilding world's biennial equivalent of the London, Paris and Geneva motor shows rolled into one. Once, most of the big names among British yards would have been represented. But for the 1976 exhibition, being held in Piraeus next month and organised by the Greek Government and Greek shipowners, only Harland and Wolff, Cammell Laird and Austin and Pickersgill are going.

That leaves out quite a few famous names, surprising at a time when British builders are desperately casting around for orders. The token attendance comes, of course, on the eve of the industry's nationalisation. So that doubtless damps enthusiasm, and companies not intending to put themselves on show also talk in general about rising costs and the fact that the Association of West European Shipbuilders has chosen the same week to hold a meeting.

However the lack of a British presence should be countered to some extent by the Canadian ex-lawyer J. Graham Day, who is chief executive-designate of British Shipbuilders, the State body which will take in the nationalised concerns. One of his priorities after vesting day is to give our shipbuilding industry a much sharper selling edge. Posidonia should provide a foretaste of Day's tough order-winning life to come, as the Japanese will be there in force.

Risk element

Excess Holdings, the insurance group, decorates its annual report with montage work of some of the bulkier insurable items. On one page, Concorde (I think) is banking sharply with its left wing tucked just behind a large oil tanker. The tanker appears to be moored at an oil refinery which the nose of the plane might just clear. It all looks like an insurer's nightmare.

Observer

An organiser—yet he left the party as he found it

Mr. Thorpe's fatal flaw

BY JOE ROGALY

HEN MR. JEREMY THORPE is elected Leader of the beral Party in 1967 there re 12 Liberal MPs in the ouse of Commons; in the evious General Election some 3m. people had voted Liberal. hen Mr. Thorpe resigned sterday there were 13 Liberal Ps; at the most recent General lection, that of October, 1974, e Liberals attracted 5.3m. otes. This increase in the iberal vote from under a tenth nearly a fifth of the total, ithout any significant increase the number of MPs, is the mplest measure of both the hievements and the frustra- on of the Party under the adership of Mr. Thorpe. It is ot the only measure: the in- ease in the Liberal vote in arts of England may be *sponsible for the Conserva-* ves' failure to win either of e last two elections, while on e negative side it could be at the troubles which have receded Mr. Thorpe's downfall ave turned away so many iberal voters that if there ere a General Election now e vote might sink back to here it was when he started.

It is never possible to lculate precisely how much, if y, the personality of a parti- lar leader counts when it mes to either attracting or pelling votes. But in 1974 Mr. horpe was widely believed to e a major asset for the Liberal arty, excellent on television, t times the most-liked and ost-trusted of the then three aders (Wilson, Heath, horpe), and often the most harismatic. In his Edwardian topcoat and hat, or in yellow sou'westers he would dash about the constituencies in which his party saw the most hope, sometimes by hovercraft, sometimes by helicopter, sometimes on even so mundane a vehicle as a train.

The peak of his political success came after the February 1974 election, in which more than 6m. people voted Liberal and 14 MPs were returned. For a long week-end the country waited to see if he would accept the rather inadequate bait offered by Mr. Heath, if he would join a Conservative-Liberal coalition; at the end of the day it became clear that, whatever individual leaders may have wanted, the Liberal Party (and probably the country) would not stand for it. But for most of the ensuing summer—until the October election—Mr. Thorpe basked in the unfamiliar limelight of a *putative national leader whom* some people had begun to take seriously.

Liability

Yesterday, when he resigned, there was a deep division of opinion between those who chose to question the propriety of his response to the allegations and innuendoes made against him during the past few months, and those who were angered by what they saw as an unfounded campaign of vilification. But there was general agreement that, either way, he had become a liability to the Liberal Party. He himself concurred; this is why he went.

John Jeremy Thorpe was born on April 29, 1929, the son of the late Mr. J. H. Thorpe, Conservative MP for Rusholme, Manchester. He might have been a successful Con*servative politican: his grand*father was also a Tory MP and his education—Eton, Trinity, Inner Temple—would have been no barrier. Just why he did become a Liberal is a mystery to many of those who know him best, perhaps the reason is that even his closest associates seem to have found him a difficult man to know. "You would get endless stories, jokes, impersonations, and entertainment," said one yesterday, "but *it was rare to have a proper* conversation."

Retentive

Yet the stories, jokes, and entertainment served him well. In 1955, aged 26, he came second in North Devon—and four years later he won the seat, which he *has held ever since.* His local knowledge, and his retentive memory for names, faces and details of personal problems are famous; he has been a first-class constituency MP. He was 37 when he became party Leader, *and two years later he married* Caroline Allpass. He seemed to be well on his way.

But in 1970 he suffered *greatly.* In the 1970 election the number of Liberal MPs was halved—to six—and a few days later *his wife was killed in a* car crash. He was left with a young son. Many people wondered if he could carry on at all. In the event, his resilience astounded everyone; he returned to active campaigning in 1971, and in 1973 he married Marion, Countess of Harewood. From there he moved, perhaps with deceptive ease, to the *political triumphs of 1974.*

The series of headlines that led to his resignation really *began only this year, but the* apparent decline in Liberal support seems to have started before that—perhaps after the referendum campaign on British membership of the European community, which *gave popular approval for a* long-standing and originally Liberal policy.

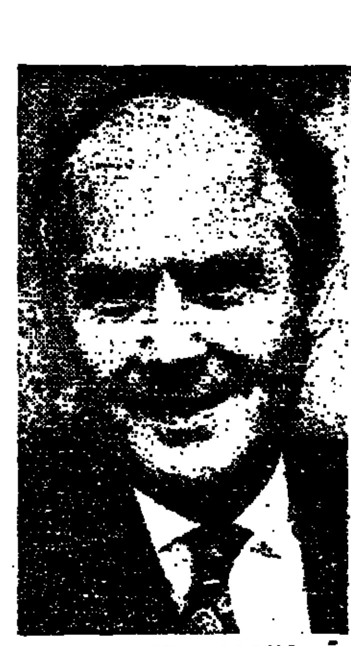
Two events dominated the headlines. On January 29 a Department of Trade report on the London and County bank *failure criticised Mr. Thorpe* for his role as a non-executive director. Any politician who was not properly informed of the affairs of his company so that he could not make his own judgment on the propriety of transactions was "liable to be reminded as Mr. Thorpe must have been that his reputation is not only his most marketable but also his most vulnerable commodity," the report said.

Witch-hunt

Mr. Thorpe admitted "an error of judgment." On the same day the second blow fell; it is this that has since dominated the public discussion. An unemployed male model, Norman Scott, alleged in a Barnstaple court that he had had a homosexual relationship with the Liberal Leader many years previously. This Mr. Thorpe immediately denied; since then the matter has been kept in the public eye by statements of erstwhile colleagues. Press "in*vestigations," and all the other* familiar instruments of our present generation's style of witch-hunt into something that, in the end, overwhelmed him. Whether it was "got up by the Press" or got up by South African or other Right-wing agents (as Sir Harold Wilson would have us believe) is irrelevant; there can, it seems, be no escape from this particular process.

Judgment

Yet Mr. Thorpe's fatal flaw does seem to have been lack of judgment. He admitted it in the case of the London and *County affair, and it could pos*sibly be proved against him in the case of his flirtation with the outgoing Heath Cabinet in February 1974. Some of his closest associates can be produced as examples of poor judgment as to people; his apparent lack of interest in ideology or issues is evidence of a faulty judgment in politics. As an organiser, an operator, and a public personality he was, for a while at least, a great success, but in matters of political thought, or fresh ideas, or national opportunities it is perhaps the saddest comment upon him that he seems to have left the Liberal Party much as he found it.



MR. EMLYN HOOSON

MR. DAVID STEEL

MR. JON PARDOE

THREE POSSIBLE CONTENDERS

MR. EMLYN HOOSON, QC, is one of the longest-serving *members of the Parliamentary* Liberal Party, having sat for Montgomery since 1962. He is *the party spokesman on legal* matters and is also the leader of the Welsh Liberal Party—*a post which some say was* invented as a consolation prize for him when he lost the leadership battle to Jeremy Thorpe.

He is certainly the most consistently Right-wing of any *of the Liberal MPs.* A longstanding opponent of high taxation, he is also a great defender of the small businessman. Occasionally he moves so far to the Right that his utterances seem to have only the most tenuous connection with Liberalism.

He is 51. Son of a Welsh farmer, he went to grammar school and later read law at the University College of Wales in Aberystwyth.

He has had an eminently successful career in the law, becoming Queen's Counsel in 1960, the youngest QC to be appointed since the former Lord Chancellor, Lord Kilmuir, took silk in 1934.

DAVID STEEL, 38, is probably the most professional full-time politician in the Liberal Party. Most of his adult life has been spent at the House of Commons. At 27 he was the youngest MP at Westminster when he was elected for Roxburgh, Selkirk and Peebles at a 1965 by-election—a seat he has held ever since. His majority there —7,433—is the largest of any Liberal MP. A major asset is his consummate knowledge and expertise in the use of TV. A competent speaker, he has a cool, reasoned approach and marshalls his arguments carefully. He is no rabble rouser. Politics seem to have dominated most of his life. After leaving the University of Edinburgh he became assis*tant secretary of the Scottish* Liberal Party and was later President of the National League of Young Liberals.

A former Chief Whip, he is currently spokesman on foreign affairs.

He is on the Left of the parliamentary party and has consistently espoused radical causes. His greatest achievement was his private member's Bill on the reform of the law on abortion.

AS AN undergraduate at Cambridge it was touch-and-go whether John Pardoe, now the Member for Cornwall North (majority 3,856), went in for the theatre or politics. *He was a leading member* of the Cambridge Footlights Revue, where he was noted for his fine singing voice.

His stage experience has stood him in good stead as one of the Liberals' chief crowd-pullers at crucial by-elections. An impassioned orator with a volatile personality and an impressive bearing, he is probably the best open-air speaker in the party.

It is difficult to trace any consistent ideological thread in his career, whether of the Left or Right of Liberal philosophy. He was once a *member of the Labour Party.*

As the Liberals' spokesman on Treasury matters he appears to enjoy the heat of the political battle. In a typical recent pronouncement he declared the party had *erred for too long on the side* of caution.

He has pursued an active business career and is a director of the International Metal Company and a member of the London Metal Exchange.

Letters to the Editor

The new sobriety

rom Mr. N. Stacey

Sir,—Let us hope that the TUC eneral Council will take Len lurray's and his colleagues' lead n accepting the 4½ per cent. verage wages rise. The unions have been asked for a specific performance in return for pecific gains. Leadership by *rade union members* now—in ccepting less than hoped for— ill keep non-trade union orkers' demands also in low ey, helping the *survival of* a table society based on stable noney.

Wages claims are one thing, ut the purchasing power of money is diluted if wage awards re excessive. Under the magni- ying glass it is revealed that ayments mainly comprise of ages and salaries—whether uch payment is made for work, oods or services. This fact nderlines the crucial role of ages and salaries in determin- g prices and living costs.

Self-delusion about overpaying rselves is self-destructive; its onsequences in living costs can- ot be masked for long. Intern- *ly, it takes a little time for the* rop in the value of money to be enerally revealed: but extern- ly, foreigners' pocket cal- *lators work more rapidly.* ritain's failures in money man- gement—from Governmental verspending to harsh taxation *people and firms—are quickly* scounted on the pound abroad.

I hope that our new sobriety in ying ourselves what we can ore or *less afford will put a* op to the drift in living stan- rds. All overspending mort- ges the future and puts all im. of us wage earners at risk. his is why the Healey-Murray reement for the next twelve onths may contain the seeds of new concensus about deserts d rewards—pressed upon us, as, less by the arguments and ore by the march of events.

icholas A. H. Stacey,
eform Club,
ll Mall, S.W.1.

The private sector

om Rowena Mills

Sir,—I wonder how many of ur readers are aware that last ar, while those in private dustry earning more than ,500 per annum were barred *om any salary increase, and* ose below received only £6— d that much eroded by tax— ose in public employment and nationalised industry were lowed to continue to receive creases in their salary in the rm of annual increments. This s excused on the part of the vernment by the statement at those "increments" were rt of the contractual arrange- ents and as such were not bject to the freeze.

While those in private industry nerally *have no such written* rangements, annual increments the basis of merit have never- e less been the tradition, and such ranked on a equal foot- g with civil service increments. deed, even those in private mpanies with similar incre- ntal agreements had these allowed. Moreover, while gher management now will entitled to perhaps a miser- le net £1.20 per week (assum- g a top tax level of 70 per nt.), civil servants of equal *come levels will, like their* ser brethren, continue to ceive substantial increments.

Is this not yet another indica- *n of the Labour Party's con-* uous and insidious attack upon ose in private employ? No ubt we shall find the cars of *ose civil servants are, in some* ysterious way, exempt from the stringent new regulations proposed by the Government to apply to the unfortunate user of a company motor-car.

I am among the self-employed. Over the past 15 years, in the course of travelling to various parts of the country for meetings, I have incurred a (modest) expenditure on food necessarily *consumed during the course of* that travel. Until this year, this has been accepted as an allowable expense against tax.

This year, I am informed by my tax inspector that, on the basis of a High Court decision (Callebotte v. Quinn Ch.D. 1975), I am no longer entitled to place such expense against tax, because it does not "further the interests of the business." (Personally I find it more difficult to think clearly on an empty stomach, but this might just be a particular idiosyncracy of mine!). My colleagues, however, employees of large companies, can travel to a meeting in the North, can eat on the train, can present the bill to their company, which in turn can place this item against tax.

Clearly, since there is no logical explanation of this, we must assume it is simply an aggravation of the attack upon *the non-regimented sector of our* industry that dares to put at risk both capital and career.

Rowena Mills.
West Grays,
Highercombe Road,
Haslemere, Surrey.

Rates of pay

From Mr. E. Palamountain.

Sir,—Professor Shepherdson (May 5) has indeed performed a *public service in highlighting* some of the implications of our marginal rates of tax on professional and managerial groups, *now incontestably the highest in* the world. It will be very useful to recall that one needs a gross salary of £53,000 to justify taking *one's car to the garage and* £100,000 to drink bottled beer. Professor Shepherdson's inescapable conclusion, that we have *succeeded in frustrating* the principle of the division of labour, must be making poor Adam Smith turn in his grave—*and in his bicentennial year at* that.

I am a trustee of a charitable foundation which finances *academic research and teaching.* Even within the past week we have news that two of our best appointees are quitting their posts (one to return *to* the U.S.) because they can earn far more elsewhere and pay far less tax on it.

As another correspondent, Mr. Gowlland, implies, taxes have not been increased to these absurd levels because the majority of the people think they should be—let alone to raise revenue. Like many other *recent measures,* this policy reflects simply the prejudices of a minority who insist that greater and greater equality must be *pursued at all costs—and get* their views written into party manifestos. Until this process is sharply reversed, the decline of the U.K. will continue.

Edgar Palamountain.
Three Quays,
Tower Hill, E.C.3.

Management of technology

From Mr. L. Goodman

Sir,—Your contributor, Joel Stern (May 3) argues that the theory of pricing policies is the crucial element in business education and his article places emphasis on all the economic and financial expertise in this field. May I point out that *unless somebody makes some*thing that somebody else wants all this is purely theory for the sake of theory. Therefore, the mangement of technology, and particularly manufacturing technology, is *the* crucial element in business and management education.

L. Landon Goodman.
11, Castello Avenue, S.W.15.

Concentrating the mind

From Mr. D. Goch

Sir,—I was interested to read the comments by John Wedgwood, president of the Chartered Institute of Secretaries (May 7), on the preponderance of academic representation on governing bodies and consultative committees that concern themselves with various aspects of business education. It is a great pity that more businessmen cannot spare the time to exert an influence at this level, rather than leaving it all to career educationists whose practical experience of industry and commerce is usually out-dated or non-existent.

Businessmen are often accused of being "anti-academic" by people who have had no exposure to the pressures of industrial life, but this *should not* deter them from participating in the development of business education. Not to do so heightens the danger *that the institutions devoted to* business education will produce too many graduates with degrees and diplomas in subjects that *reflect the current vogue* in academic thinking rather than their potential application to real life business.

Perhaps the time has come when we should begin to look more critically at the views expressed by some of the more *outspoken business professors.* Accountants, in particular, have allowed themselves to be talked into an accounting standards *strait-jacket and have lost sight* of the fact that the purpose of published accounts is to inform and enlighten shareholders and *not to confuse them.*

When it comes to inflation accounting, we have heard as many different opinions on how *to go about it as there are* academics to propound them. Most of these solutions are based on an obsession with tinkering *with the balance sheet months* after the inflation happened and they ignore completely the real problem of achieving the kind of *selling prices and cost structures* that will produce the cash flow needed to finance the replacement of stock and machinery. That is what accounting *for* inflation is really about. A few months at the sharp end of financial management concentrates the mind wonderfully!

Desmond Goch.
4 Paddock Wood,
Harpenden, Herts.

Business schools

From Mr. W. Purdie

Sir,—Having returned to industry after five years teaching in Britain's oldest established business school I read Mr. Joel Stern's article (May 3) with amazement and his evaluation list is open to considerable question.

He falls into the open trap—like so many peripheral commentators—of lumping post-graduate and post-experience teaching together. They are not the same, they should not be taught in the same way, and the methods of evaluating results are totally different.

He seems to put pricing policy as a fundamental priority yet detailed responsibility for this lies with only a fragment of total management and, as such may be of only marginal significance to many managers. For example, in nationalised industries and similar quasi-governmental agencies market prices are not the criteria of the product therefore what is the point of emphasising it in management training?

It is *equally wrong to suggest* that micro and macro economics are inadequately taught in British schools or for that matter *at under-or post graduate levels* in Britain. Where is the evidence for this assumption?

Mr. Stern seems to assume that management can only be, or is best, taught by academics alone. Surely this is about as relevant as teaching surgery by correspondence course. This may have validity of a sort at post-graduate level but academics with no practical experience are vulnerable to surrendering their credibility in face of the collective wisdom of a post-experience course. If the situation is half as bad as is suggested then perhaps the British Institute of Management should drop its *campaign for professionalism and* concentrate on management education.

British business schools are *not as effective as they could be.* Neither industry, the Foundation for Management Education, the Government, nor the BIM provide them with adequate funds hence they have to carry a burden of post-graduate schools in order to attract money and the oil-and-water mixture of post-graduate and post-experience are, frequently, an impediment to each other.

Since only about 1 in 40 of all managers ever go on a management course of more than one week's duration we are not, as a nation, well equipped. Those schools, however, which do exist give excellent value for money and have staff and facilities comparable with America and Europe. The constraints are financial not qualitative.

For Mr. Stern not to mention a single British lecturer in his list implies that there are none of quality in our business schools. I would suggest that it merely indicates that Mr. Stern has not done his homework and looked for them. They are there.

W. K. Purdie.
Brym Derwen, West Street,
Marlow, Bucks.

Apathy which kills

From the Managing Director, S. G. Whitaker, Ltd.

Sir,—Mr. Ron Haywood described the 25 per cent. turnout in local elections as "the apathy which kills democracy". Perhaps he would like to comment upon certain trade union elections.

C. A. Coward.
Hope House,
Great Peter Street, S.W.1.

Curbs on car imports

From Mr. B. Oliver.

Sir. — Wednesday's leading article on the right way to curb car imports does, if anything, understate the problem. There are at the present time already curbs on car imports in the shape of the hp controls. Mr. Healey admitted as much in his Budget speech: "I have decided against relaxing hp restrictions on motor-cars in the present circumstances since this would be most likely to stimulate imports." So long as British industry cannot deliver the goods while overseas manufacturers can, any constraint on domestic demand must be a control on imports.

The recent impact of hp controls has probably been to cut back the home demand for cars below levels prevailing before the oil crisis. Car prices have risen faster than incomes, but the extra real cost of cars cannot be financed by lengthening the term of repayment because of the hp controls. I hope that the time is not far distant when the repaying period can be lengthened as part of a programme to restore a healthy home market for British manufacturers. It may be that the *quid pro quo* for this is some tighter restriction on the import of cars, particularly from countries whose attitude to export market*ing is not wholly conditioned by* the normal profit motive.

Brian Oliver.
47, Borough Street, Brighton.

Community Land Act

From The Chairman, E. H. Bradley Planning Services.

Sir,—May I draw attention to a little-publicised yet vital condition contained in a recently *published Department of the En*vironment circular on the Community Land Act?

Under the Act land in the freehold ownership of a builder or developer of residential or industrial property since September 12 1974, is to be treated as excepted development and not, therefore, generally the subject of acquisition.

A prerequisite of establishing excepted status is the serving of a notice on the relevant local authority not later than October 5, 1976. What is not generally recognised, however, is that applications made between April 6, 1976, and October 5, 1976, *must be preceded by a notice* giving details of their excepted status. This information, contained in paragraph 12 of Annex *C to DOE circular 26/76 is by no* means widely known either to local authorities or developers, and could lead to unpleasant *complications for both, if not* followed.

D. M. Gransby.
Okus,
Swindon,
Wilts.

A giant step forward

From The Managing Director, World Trade Office, Federal Alloys Corporation.

Sir,—It is with sincere admiration that I commend Mr. John Edwards, your commodities editor, for the recent series of *articles dealing with the Inter*national Tin Council (ITC), and Bolivia's threatened withdrawal.

As a long time supporter of U.S. participation in the ITC, I am pleased that the Bolivians finally opted to sign the Fifth Agreement, thus assuring active U.S. participation in the activities of the Tin Council. The ITC is hardly a perfect mechanism, but it is certainly the best vehicle about for bridging the so-called "gap" between the "third and fourth world nations" *and the industrialised nations.*

Any commodity agreement which assures the producing nations a fair market price for *their commodity, while ensuring* the consuming nations a reasonably stable price for the same commodity, must be categorised as a giant step forward. While it might be true, in the long run, that the consumers might tend to pay a higher price than if the commodity was left totally at the whim of market conditions, the little extra that is paid is the most painless form of "foreign aid" that I can conceive. Let us hope that the Fifth Tin Agreement will show the way for a new spirit of co-operation between commodity producing and commodity consuming nations.

Alan I. Schneider.
2930 Denton Street,
Detroit, Michigan 48211.

To-day's Events

GENERAL

European Central Bankers end two-day meeting, Basle.

Mr. Anthony Wedgwood Benn, Energy Secretary, addresses meeting of Beckenham Labour Party.

Mr. Fred Peart, Minister of Agriculture, speaks at Food Manufacturers' Federation lunch, Hotel Intercontinental, W.1.

British Importers' Confederation mission now in Yugoslavia.

House of Commons Select Committee on Nationalised Industries hears evidence from Professor Christopher Foster and Professor M. E. Beesley. Subject: British Rail.

House of Commons Select Committee on Violence in the Family hears evidence from Home Office. Subject: Violence to Children.

CBI Yorkshire and Humberside Regional Council meets, Leeds.

National Chamber of Trade annual general meeting, Harrogate.

GLC's Transport Committee considers study on feasibility of widening London's South Circular Road.

PARLIAMENTARY BUSINESS

House of Commons: Finance Bill, committee.

House of Lords: Crofting Reform (Scotland) Bill, and Freshwater and Salmon Fisheries (Scotland) Bill, third reading. Public Lending Right Bill, report stage. Land Drainage (Amendment) Bill, Commons amendments. Debate on asbestosis.

COMPANY RESULTS

Bunzl Pulp and Paper (full year). Richard Costain (full year). Ranks Hovis McDougall (half-year). Ransome Hoffmann Pollard (half-year). Sears Holdings (full year).

COMPANY MEETINGS

American Trust, Edinburgh, 11.30. Bank of Scotland, Edinburgh, 12.15. Federated Land and Building, Winchester House, E.C., 11.30. Norwich Union, Norwich, 11.30. Pittard Group, Yeovil, 12. Scottish Northern Investment Trust, Aberdeen, 12.15. United Biscuits, Edinburgh, 12. Wolf Electric Tools, Wembley, 12.

COMPANY NEWS + COMMENT

Staveley heading for at least £5½m.

REPORTING a sharp advance from £1.43m. to £2.72m. for the first half of 1975-76, Mr. H. R. Moore, chairman of Staveley Industries, says profits for the second half should at least equal this level, producing an overall result for the year "well ahead" of the £3.63m. achieved in the year ended September 30, 1975.

The group continued to make significant progress during the half year with all product groups producing better results than in the corresponding period of 1975. The electrical group and the U.K. operations of the machine tools group achieved the biggest advances.

Staveley Lime Products and some of the Canadian activities were most affected by economic conditions; but the effects of the recession were felt to a varying degree by almost all divisions, says Mr. Moore.

Turnover and real volume increased and the investment programme continued at a rate approaching that of last year. Despite this, the overall level of borrowings has not significantly changed from that reported at September 30, 1975.

Higher profits and improved cash management enabled the company to contain the effects of inflation, without cutting back on investment.

Borrowing facilities available have been further enlarged, and more than half are now guaranteed to be available for the medium term. This will help Staveley to take advantage of any profitable opportunities which may arise and to plan activities on a long-term basis.

The interim dividend is raised from 3p to 3.8p net and the directors forecast a maximum permitted total of 7.8p compared with 7p.

	Half year 1975-76 £000	Half year 1974-75 £000
Sales	53,731	37,511
Trading profit	3,201	2,025
Interest charges	486	593
Profit before tax	2,715	1,432
Taxation	1,222	587
Net profit	1,493	845
Minorities	139	110
Attributable	1,354	735

● comment

Staveley expects pre-tax growth of close on half this year, and that put the shares up 6p to 184p yesterday for a rise this year of a third against barely a fifth by our general engineering index. The electrical operations are providing most of the impetus at the moment and within that a maiden full year from Hall and Kay is probably fairly important. The prospective p/e is just under 10 on a full tax charge, while the 1975-76 yield is 6.7 per cent. and covered nearly 2¼ times by fully taxed earnings.

INDEX TO COMPANY HIGHLIGHTS

Charterhouse Development

The Charterhouse Group announces the successful launching of Charterhouse Development Capital. Shares and loan stock have been placed with major insurance companies and pension funds.

The new company, in which the Charterhouse Group has a "significant" minority stake, will invest in small and medium sized companies and will be managed by Charterhouse Development, the group's existing development capital subsidiary. From now on all new investments by Charterhouse in this field in the U.K. will be made through the new company.

Mr. Edward Cox, chairman and chief executive of Charterhouse Development, has been appointed managing director of Charterhouse Development Capital.

Davies & Newman hopeful

MAINTAINED profitability at Davies and Newman Holdings is forecast by chairman Mr. F. Newman in his annual statement.

He tells holders that although low freight rates and poor ship values are likely to prevail for some time, the shipbroking company "should continue to hold its own" in the foreseeable future and produce a satisfactory result.

Dan-Air's increased capacity is fully booked this summer and budgets for the year indicate "a satisfactory position."

As known, turnover for 1975 improved from £39.11m. to £52.81m., operating profit was £1.27m. (£1.19m.), profit before tax, £1.36m., compared with £1.14m., earnings per 25p share 14.8p (12.6p) and dividends 6.540105p net (6.12849p). Adjusted for inflation on a CPP basis, pre-tax profit is £1.33m. (£1.55m.), and earnings 14.2p (19p).

A breakdown of turnover and operating profit shows shipping £1,026,000 and £302,000 and airline operations £51.78m and £967,000. Turnover includes £11.63m. (£7.43m.) exports from the U.K. and £409,000 (£102,000) from overseas trading activities. Operating profit includes £28,000 (£13,000) profits of overseas trading activities.

Meeting, Great Eastern Hotel, E.C., June 3, noon.

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S. Osborn midway downturn

A REDUCTION from £1.25m. to £0.96m. in pre-tax profit is reported by Samuel Osborn and Co., the engineering group for the 25 weeks ended March 19, 1976.

For the second half, operating results are expected to be similar to those of the first, but they should be augmented on the basis of present trends by gains from the movement of alloy prices and currency rates for the year.

Assuming that a marked upturn occurs in the U.K. economy later this year, a substantial improvement in group profits is expected for 1976-77.

The interim dividend is unchanged at 1p net—the total for the previous year was 3.2p paid from profits of £2.92m. struck after a loss on exchange of £42,000.

	First half 1975-76 £	First half 1974-75 £
Sales	[illegible]	14,649
Interest payable	374	[illegible]
Pre-tax profit*	960	1,249
Taxation	625	506
Minorities	231	200
Attributable Ord	92	310

* Including share of profits of associates £127,000 (£79,000).

● comment

A 70 per cent. increase in trading profits to more than £¾m. for Osborn's engineering division was a feature of the first six months, although this was not enough to offset a 96 per cent. decline in the steel contribution and lesser falls in tools and trading. Overall pre-tax profits are down 23 per cent. on a 4.4 per cent. sales increase. However, the weakness of sterling must be a plus factor for profits in the current half-year, while last week's 4 per cent. jump in the nickel price (now 36 per cent. higher than a year ago) underlines the chance of stock profits from rising alloy prices. The shares at 56p yield 8.6 per cent. covered 3.3 times.

First half increase at Petrocon

PRE-TAX PROFITS for the six months to February 29, 1976 of Petrocon Group, the oil, process and energy related services enterprise, amounted to £657,100 compared with £616,200 on turnover of £4.74m. against £4.58m.

After tax up from £320,400 to £341,700, profits attributable to the holding company, including an extraordinary item of £43,000 come out at £358,600 against £295,800.

The directors do not anticipate any immediate recovery in supply operations, and results for the year will depend on contributions made by the offshore service business and the two manufacturing companies.

The interim dividend is lifted from 0.984p to 1.0824p net per 12½p share costing £57,700 (£42,600). Last year's total payment was 3.924p from pre-tax profits of £1.28m.

Exports in the six months increased by 88 per cent. with overseas sales accounting for 46.8 per cent. of turnover compared with 25.8 per cent. in the first half of last year and 24 per cent. for the last full year. Efforts are being made to increase still further the overseas business which the group "is confident it can achieve."

The services division achieved turnover of £2.72m. (£3.35m.) and pre-tax profits of £315,100 (£507,400), and the manufacturing division £1.98m. (£1.23m.) and £338,400 (£108,800) respectively. The leasing operation had turnover of £47,000 and pre-tax profits of £3,600.

Commenting on the services division, the directors say the contribution made by supply companies was disappointing due to the cutback in investment in new refinery and petrochemical plant. However, there was increased demand for services to the oil and gas exploration and production industry.

In the manufacturing division a satisfactory level of order intake continue.

The directors report that the Petrocon-Swire base in Singapore will become operational in June and will offer directional drilling and rental tool services to the oil industry in South East Asia.

● comment

A sharp drop in new plant investment by the major oil companies has severely affected Petrocon's service division pushing profits lower by two-fifths, and there is little prospect of any improvement for the rest of the year. However, more than trebled profits from manufacturing—on the back of a particularly strong export performance—left the group 7 per cent. ahead overall at the pre-tax level. Current trading looks like following the pattern of the first half, with manufacturing compensating for the downturn among the supply subsidiaries Maintained profits point to a sluggish earnings trend but the shares at 100p yield a prospective 6.7 per cent., covered 2.6 times.

Sir Francis Sandilands, chairman of Commercial Union Assurance, which held its AGM and published first-quarter figures yesterday.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
Aberdeen Investments	1.05	June 29	0.9	1.8	1.65
Anglo-African Finance	0.75	June 25	0.55	0.75	0.55
Jas Beattie	3.77	—	3.43	3.77	3.43
Bishopsgate Trust	2.9	June 25	2.6	4.4	4
Ellenroad Ring Mill	1.46	July 15	1.3	1.96	1.8
European Ferries	1.21†	July 1	1.12	1.81	1.67
London & Provincial Shop. int.	0.27	June 20	0.25*	—	0.5*
N. Midland Construct. int.	0.45	—	0.45	—	1.1
Samuel Osborn int.	1	July 9	1	—	3.2
P. Panto	0.77	July 1	0.7	1.54	1.4
Petrocon int.	1.08	Aug. 3	0.98	—	3.92
Shellabear Price	1.6	July 8	1.4	2.48	2.28
Staveley Inds. int.	3.8	July 1	3	—	7
Tricoville	0.62	—	0.5	—	1.17
Alfred Walker	1.75	—	1.75	1.75	1.75
T. Warrington	1.97	July 12	1.72	3.13	2.88
Young Cos. Trust	1.9	June 28	1.6	2.9	2.6

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues.

European Ferries on target

IN LINE with the estimate made during the Felixstowe Dock offer, profits of European Ferries expanded from £4.25m. to £6.37m. in 1975.

Providing for tax and minorities and extraordinary debits of £1.94m. (£2.41m.) — including exchange losses of £1.91m. (£0.96m.), the year's attributable balance emerges at £3.66m. against £1.34m. Earnings per 25p share for continuing activities are stated at 8.5p compared with 7.6p.

The dividend is the promised 1.81454p, with a final of 1.21454p on capital increased by the £5.9m. rights issue last August. The 1974 total was 1.666p.

	1975 £000	1974 £000
Turnover	66,023	49,628
Profit	6,368	4,249
Shipping	5,990	5,044
Other	378	194
Air losses*	—	909
Taxation	747	474
Minorities	23	16
Extraord. debits	1,939	2,409
Attributable†	3,661	1,342

* Including discontinued route costs. † Including associates £7,000 (£13,000 loss).

See Lex

Shellabear Price slips to £0.43m.

SECOND HALF profits of Shellabear Price (Holdings), builders and civil engineering contractors, fell from £297,336 to £211,521, leaving the total for 1975 lower at £430,021, compared with £471,336.

When reporting the first half increase the directors warned that it must not be assumed second half profits would be proportionately higher than those of the first, as had been the case in recent years.

Group turnover—up from £7.27m. to £8.51m.—reflected an increase in the work volume undertaken for the regional water authorities, though in other sectors a slackening of activity was experienced.

Earnings per 25p share are stated to be down from 7.49p to 6.58p. As foreshadowed the dividend is the permitted maximum—raised from 2.2771p to 2.4761p net, with a final of 1.6011p.

In the light of the continuing uncertainty of the national economy the directors can make no forecast for 1976. Liquidity, however, is being maintained at a high level to enable advantage to be taken of any suitable opportunities that may arise, they say.

	1975 £	1974 £
Group turnover	8,589,782	7,273,558
Profit	430,021	471,336
Taxation*	223,619	246,653
Net profit	206,402	224,683
Extraord credits	5,890	17,197
Dividends	†65,163	61,851
Retained	147,069	179,019

† After waivers £9,119 (£4,462). * After transfers to Deferred Tax of £54,300 (£90,121) and £11,975 (£140,347) in respect of stock appreciation relief.

● comment

With its heavy dependence on public works—around 85 per cent. of 1975's turnover—Shellabear Price was hit by government spending cuts in the second half when pre-tax profits fell 29 per cent. Consequently, full-year profits declined nine per cent. Contracts from the regional water authorities in the south have increased and current water works order books are substantially up on a year ago. But this has not been able to offset the decline in other areas Shellabear is now looking abroad for future growth: it has a fledgling joint venture in the Middle East, but no significant benefits are expected in the current year. A cash holding of over £700,000 will provide some cushion for any profits shortfall this year: in 1975 net interest receivable was £53,000. At 35p, the p/e is 4.8 and the yield 11.4 per cent., covered 2.8 times.

A. Walker

Despite a rise in turnover from £4.2m. to £5.6m., pre-tax profits of building contractors and property developers, Alfred Walker and Son fell from £211,000 to £176,000 in 1975 after £71,000 against £111,000 in the first half.

Full year earnings are given as 1.93p compared with 2.93p per 10p share. The dividend is held at 1.75p net.

	1975 £000	1974 £000
Group turnover	5,600	4,200
Profit	176	211
Tax	91	[illegible]
Net profit	[illegible]	[illegible]
Minorities, etc.	[illegible]	[illegible]
Extraordinary credits	[illegible]	[illegible]
Attributable	[illegible]	[illegible]
Dividends	[illegible]	[illegible]

* Debits.

Tartan McCaul advance

TURNOVER FOR 1975 of knitwear distributors Tartan McCaul expanded from £5.15m. to £7.33m. and pre-tax profits advanced from £339,575 to £654,511 after a rise from £72,532 to £140,493 in the first six months.

After U.K. tax of £36,588 (£39,502) and overseas tax of £287,763 (£135,627), full-year earnings are shown to have doubled from 1.4p to 2.8p per 10p share. Once again there is no dividend. The balance retained is £330,160 against £164,446.

Pre-tax profits included interest received of £44,609 (£47,819) and were struck after interest paid down from £148,356 to £105,999.

WINDING-UP ORDERS

Orders have been made by Mr. Justice Slade in the High Court for the compulsory winding-up of 83 companies.

Advance forecast by Bowthorpe

PROVIDED there are no serious downward trends in the economy, Mr. J. Bowthorpe, chairman of Bowthorpe Holdings, expects an advance in current year profits. There has been an increase in orders during the first part of 1976.

Electricity is an essential to the economy of every nation, he points out, and most group products are for use with electrical and electronic cables and wires. By anticipating the demand for new products, "we are in a growth business."

As reported on April 9, pretax profit for 1975 was down from £4m. to £3.96m. Dividends total 1.33p net (1.226p).

Mr. Bowthorpe explains that the difficult world-wide economic conditions continued throughout 1975 but in spite of the problems, the group continued to perform well.

The company again benefited from the wide spread of its products and the many markets which it serves. There has been further growth overseas.

In addition to U.K. exports amounting to £4.23m. the contribution of overseas subsidiaries and associates to group profits amounted to £1.76m. compared with £1.55m.

At home, while some of the Hellermann divisions suffered as a result of adverse trading conditions, there has been a resurgence in the profits of Bowthorpe Electric, EMP Electric and Power Development.

Hellermann Cassettes made a loss of £369,000 mainly due to lack of orders, but in the later part of the year the position improved and a return to profitable trading is anticipated.

The group increased its capital investment in new plant and equipment by £1.14m. without depleting its cash resources.

The Deutsch Co. electronic components division holds 11.1 per cent. of the Ordinary. Meeting, Crawley, June 3, noon.

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Burmah Action Group statement

The Burmah Shareholders Action Group says it will allow the Burmah Oil Board a short time to put in train appropriate proceedings concerning the terms of the sale of its £77.8m. shares in BP to the Bank of England for £179m. in January 1975, according to a circular which will be despatched to stockholders to-day with Burmah's 1975 annual report. The Action Group is pressing for a revision of the terms—the £179m. figure is more than £300m. below the present value of the holding.

The BSAG says it has been advised by Queen's Counsel concerning the legality of the transaction. "This advice clearly suggests that Burmah successfully take the ma[...] the courts—and that it sho[...] so."

The circular adds: "The [...] is minded to invite the Bo[...] call an extraordinary meet[...] a convenient time, but no[...] than the autumn, to repor[...] gress to stockholders. If su[...] invitation were declined and BSAG considered it in [...] holders' interests to convene a meeting, it would take necessary steps to this end."

ISSUE NEWS

Wilson Walton to come to the market

It looks as if the market's wait for a new issue will be [...] later this month. Several [...] panies have been rumoured [...] the past few months as pos[...] new issue candidates, but it seems that Wilson Walton [...] gineering, a group specialisi[...] servicing the North Sea exp[...] tion, will be the one to break [the] ice.

Energy Finance and Ge[...] Trust, the company set-up [...] Dennis Barkway last year, [...] brokers Kitcat and Aitken [...] currently organising an offer [for] sale to take place later [...] month.

The company which is an [off]shoot of Wilson Walton Inter[national] (Holdings) emp[loys] around 500 people and last [...] was reported as having made [pre-]tax profits of £570,000 on turn[over] of some £4m.

Wilson Walton Engineer[ing] has gained a strong position [...] new technology related [...] North Sea exploration, in par[ti]cular the conversion of [...] submersible drilling rigs [...] floating platforms, such as [...] Transworld 58.

This could prove a partic[ularly] promising development for [...]ing production platforms [...] cash flow benefits for the [pro]ducers. Also as the price of [...] rises in sterling terms [...] marginal fields will become [in]creasingly viable especially [...] floating platforms are used.

So it is against the backgr[ound] of an expected increase in dem[and] for floating platforms that Wi[lson] Walton will come to the ma[rket] with the first new issue for [...] two years.

EVA—89.5%

Eva Industries rights issu[e to] raise £600,000 on the basis of [...]-for-seven at 30p each has [been] taken up as to 89.5 per cent. [The] balance not taken up has [been] sold in the market at a pre[mium] and the net proceeds will be [dis]tributed to entitled sharehol[ders] except that no payment wi[ll be] made for less than £1.

Cadbury Schweppes international progress

Our Report and Accounts, which has been posted to shareholders, includes my statement on trading conditions together with a review of our world operations. These are some of the highlights.

10th May 1976

Adrian Cadbury
CHAIRMAN

Chairman's Statement

1975 Results

1975 sales at £667 million were 20% above those of 1974 in money terms, slightly more than holding their own in constant prices, which given the degree of world recession underlines the basic stability of demand for your Company's products.

Profit before tax rose from £28.5 million in 1974 to £38.6 million in 1975. These distinctly better results would not have been possible without the encouraging degree of cooperation at all levels which the Company received worldwide.

While the improvement in profitability in 1975 will enable the Company to take a more positive approach to investment and expansion, it can only do so on the basis that this trend will continue. Profit margins are still inadequate and do not provide the justification for the scale of investment required for the business to compete effectively and internationally. We must be allowed to restore margins to the levels of the early 1970s if we are to maintain our standing in markets round the world and our pattern of growth and so provide security and a fair return to all those who have invested their money or their working lives in the business. Investment and jobs go together; both are dependent on companies achieving an adequate level of profitability and on their having the confidence that it can be maintained.

Investment

In spite of the economic uncertainties we are going ahead with a substantially increased investment programme, particularly in the United Kingdom. We are not asking for any special help or subsidy from Government, but simply for the maintenance of an economic climate which will enable us to earn an adequate return on the funds entrusted to us, over the expected life of the projects concerned. This requires governments in all those countries with systems of price control to accept that, if prices are artificially held down while costs rise, investment and jobs must suffer; product price control on the United Kingdom pattern is essentially a short-term device to subsidise consumption now at the expense of future production and employment.

Policy and Prospects

In continental Europe the primary aim is to build on the established position of the Schweppes brand because soft drinks is the fastest growing of the markets in which we are involved and it is still relatively fragmented.

To this end our Italian operations have been restructured so that we can concentrate on the expansion of our branded soft drinks business. In Spain our management involvement is now limited to the Schweppes franchise, which is second only to the United Kingdom in sales volume, and to the Vida and Loyola businesses in fruit juice and confectionery respectively. It will take from 2-3 years to bring all our Italian and Spanish interests to an acceptable level of profitability but we will then have worthwhile operations which fit the agreed pattern of expansion. The overall results of our operations in Europe were disappointing in 1975 because of the Italian and Spanish losses, but the measures which we have undertaken should enable us to improve the position considerably in 1976.

The other main areas for investment have been Australia and North America, to promote the Cadbury and Schweppes brands in both cases. Australia as the largest subsidiary has continued its policy of investing in improving efficiency and in strengthening its market position. In North America the Canadian company went through a difficult period in 1975, but the United States company had a successful year.

The policy is therefore one of concentrating on our core businesses at home and abroad and taking action to turn round any operating activities which are not making a proper contribution to the growth of the Company. It is not possible at this stage in the year, given all the uncertainties about the trends in world trade and the levels of consumer expenditure in our main markets, to make an estimate of the 1976 results on any valid basis. I can say, however, that we have set ourselves management targets which represent a real increase over the figures for 1975.

Review of Operations

UNITED KINGDOM OPERATING GROUPS

Confectionery

The Confectionery Group held its prices throughout 1975 following increases at the beginning of the year. The Group achieved its budget profits: the seasonal trade at Easter and Christmas exceeded expectations and sugar confectionery had a particularly good year. The operations of the Price Code continued to reduce margins, but the overall results reflect the high degree of cooperation of everyone within the Group and their positive response to change. Raw material prices, including cocoa, remained high throughout the year in spite of the world recession.

Drinks

During 1975 the Drinks Group improved its position in the United Kingdom market and more than met its profit targets, overcoming the supply problems which had proved so troublesome in 1973 and 1974. After a cautious start to the year, with an early cold Easter, sales benefited from the long hot summer.

Employees at all levels throughout the Group participated in an effective programme to reduce costs and improve earnings, with the overall objective of protecting employment levels and providing funds for investment in new plant. The Group started 1976 from a firm base of strongly supported brands and improved efficiencies in all areas.

Tea and Foods

The Tea Group and Foods Group met their profit and cash flow targets despite a decline in the volume of sales. This achievement, against the background of rising costs and greater working capital requirements, reflects credit on the Groups' control systems and on the increasingly close involvement and cooperation of employees at site and departmental levels in decisions affecting production, manning and stocks. Market share gains were made in a number of important sectors while the Group entered the protein foods market on a major scale for the first time with the introduction of Soya Choice.

The Catering Services Division had another successful year with sales up by 35% and with an increase in market share in our main product areas. This business has more than doubled in the past three years and at the same time its profitability has been improved by concentrating effort behind products with better margins.

Health and Chemical Products

This Group was more affected by the depressed level of demand in 1975 than our other Groups. Jeyes U.K. returned poor half year results, but did significantly better in the latter part of the year.

Aerosols International produced record sales in the first quarter of the year due to a marked increase in exports. Good export sales could not however compensate for the drop in home demand during the year and so the level of activity has had to be reduced. Both Jeyes Ireland and Middleton Plastics produced good results and Jeyes Overseas made particular progress in Nigeria and Indonesia.

Concentrates and Essences

There was a significant growth in the volume of essences produced both in the United Kingdom and elsewhere to meet the trading Groups' requirements.

Kenco

Kenco had another successful year. Despite the substantial increase in the cost of coffee on the world market, volume sales were maintained and Kenco increased its market share.

Wines and Spirits

This Division faced the industry problems of oversupply of wines from France and Italy and the increases in duty imposed by the Chancellor; despite these difficulties the Andre Simon range rapidly gained trade and consumer acceptance and, against the industry trend, made substantial sales gains.

OVERSEAS GROUP

Overseas sales outside Europe rose by 24% over 1974 to a figure of £240 million. Margins improved slightly so that net profits, which fell in 1974 from £12.0 million to £10.3 million rose again in 1975 to £13.6 million. Although trading conditions continued to be difficult most of our companies have recovered from the setbacks due to the world economic situation in 1974 and have resumed their pattern of growth.

Australasia

Cadbury Schweppes Australia Ltd., our largest overseas subsidiary, was also the one which suffered the biggest reverses in 1974 due to inflation and price control. In 1975 profits doubled rising from £2.9 million to £5.8 million and considerable progress was made in both the confectionery and drinks operations.

In New Zealand, Cadbury Schweppes Hudson Ltd. had to face difficult economic conditions which particularly affected the soft drinks side of the business.

North America

Cadbury Schweppes U.S.A. Inc. had another successful year with substantial increases in both sales and profits.

Distribution of Schweppes was extended whilst sales of "Rose's" Lime Juice reached record levels. The increased profit contribution of these two brands has enabled us to heighten our marketing support for Cadbury confectionery and hence to improve our market share.

In Canada the position is not so satisfactory. Inflation and the world recession were slow to take effect there but they had a major impact on the economic situation in 1975. To add to the year's difficulties industrial relations problems affected our own factories and the activities of our suppliers and customers. As a result profits of Cadbury Schweppes Powell Ltd. fell heavily in spite of an increase in sales.

Africa

Cadbury Nigeria Ltd. had a record year with profits more than double those of 1974. The improvement in the Nigerian economy has enabled the dividends declared in 1972/74 to be remitted, making a useful contribution to the United Kingdom cash flow. During 1976 the company will make a public issue, reducing Cadbury Schweppes' holding.

Cadbury Ghana Ltd. faced an exceptionally difficult year due to cuts in their import licences; consequently profits were slightly down on 1974.

In Kenya substantial progress was made particularly in the Drinks operation which increased its market share and profits were more than doubled. The company is now soundly based and was able to declare and remit its first dividends.

In South Africa the confectionery business continued to do well but there are still problems to be overcome in the rationalisation of our soft drinks operation before it can achieve a reasonable degree of profitability.

Cadbury Schweppes (Zambia) Ltd. also made good progress and the company was restored to a profitable situation.

Asia

Cadbury-Fry (India) Private Ltd. had a successful year and new developments are planned to coincide with the public issue of the company's shares in the coming year.

In Japan Kanebo Cadbury Ltd. completed its first full year's trading with results in line with our expectations.

The new confectionery factory in Kuala Lumpur started production in 1976 and will enable a substantial increase to be made in Malaysian sales in 1976.

Exports and Franchises

Despite setbacks in certain overseas markets, exports were held close to the previous record sales. The sterling value of exports to the United States showed useful gains. Soft drinks franchises also did well. Profits from our various export and franchise operations were more than 50% above those in 1974.

EUROPEAN GROUP

Sales of Cadbury Schweppes products in the continent of Europe reached £54 million, a 20% increase over 1974. Volume sales did not increase in proportion because of consumer resistance to higher prices; this was particularly true of Southern Europe with its continued high rate of inflation.

The Company's priority in Europe is the development of the soft drinks business. Schweppes sales benefited from the unusually good summer, consolidating our already dominant share of the mixer market in most countries. Total sales were up 23% in litres over 1974.

Confectionery sales were affected by the relative increase in chocolate prices, while our food activities in Northern Europe continued to show good progress.

Franchises

Our major Eastern European development in Bulgaria began in June and we are expanding from this base into other Eastern European countries. We are convinced that Eastern Europe offers an attractive long term area of development not only for soft drinks but for food and confectionery products as well.

Annual General Meeting

The Annual General Meeting will be held at 12 noon on Thursday, 10th June 1976 at the Abercorn Rooms, Great Eastern Hotel, Liverpool Street, London EC2.

Copies of the Report and Accounts incorporating the full Statement by the Chairman and the Review of Operations are available from The Secretary, Cadbury Schweppes Limited, 1/10 Connaught Place, London W2 2EX, England.

Confectionery
Milk Tray
Contrast
Something Special
Roses
White Heather

Goldmine
Icebreaker
Country Style
Peppermint
Caramel
Plain Sandwich
Milk Sandwich
Plain Choice
Milk Tray Bar

Cadbury's Biscuits
Fingers
Chocolate Wafers
Assorted Biscuits
Creams
Shortcakes
Shorties
Cookies

Murray
The Original
Murray Mint
Butter Mint
Blue Mint
Spearmint
Fruits

Cadbury's Biscuit Count Lines
Wafer Snack
Shortcake Snack
Finger Snack
Skippy
Wafers
Orange
Coffee Break
Bar Six

James Pascall
Bon-Bons
Pastilles
Fruit Drops
Clear Fruit

Count Lines Confectionery
Flake
Crunchie
Chocolate Cream
Turkish Delight
Picnic
Fudge
Curly Wurly
Dipped Flake
Welcome
Super Mousse
Amazin' Raisin
Rumba
Aztec
Peppermint Cream
Plain Five Centre
Milk Five Centre

Desserts – Jellies and *Jelly-creams*
Cadbury's Chillo
Chivers Jellies
Chivers
Jelly-Creams
Cadbury's
Chocolate
Spread

Chocolate Blocks and Bars
Cadbury's
Dairy Milk
Roobarb
Wombles
Freddo
Furry Friends
Milk Fruit & Nut
Milk Wholenut
Milk Brazil
Bournville
Bournville
Fruit and Nut
Bournville
Roasted Almond
Velvet Blend
Buttons
Old Jamaica
Grand Seville

Cadbury
Chocolate Eclairs
Blackcurrant
Eclairs

Country Butter Sweets
Fudge Centre
Rum Centre
Butterscotch
Nut Crunch

Pascall
Golden
Barleysugar
Assorted Toffees
Chocolate
Bon-Bons
Marshmallows

Curds
Moorhouse
Lemon Curd and
Lemon Cheese

Milk Products
Cadbury's Marvel

Cadbury's Hot Beverages
Bournville Cocoa
Bournvita
Drinking
Chocolate
Snack Soup

Marmalades
Chivers
Olde English
Chivers Jelly
Roses

Mincemeats
Hartleys

Preserves
Hartleys Jams
Hartleys New Jam
Traditional Range

Glenville
Ice Pops
Custard Powder
Cornflour

Creamers
Cadbury's Coffee
Compliment
Kenco Coffee Top

Puddings
Hartleys
Christmas

Hartleys Canned Fruit

Hartleys Canned *Vegetables*

Potato Products
Cadbury's Smash

Cadbury's *Soya Choice*

Schweppes Brand Drinks
Tonic Water
Dry Ginger Ale
American
Ginger Ale
Soda Water
Bitter Lemon
Sparkling Orange
Lemonade
Ginger Beer
Lemonade
Shandy
Slimline Range

Pepsi-Cola
Diet Pepsi
Cresta
Zing
7-Up
Caribe

Squashes and Cordials
Suncrush
Kia-Ora
Sunfresh
Roses
Schweppes

Fruit Juices
Tomato Juice
Cocktail
Orange Juice
Pineapple Juice
Rose's Natural
Lemon Juice
Grapefruit Juice

Copella
Apple Juice
Naturella

Coffee

Kenco
Pre-packed
Coffee Beans
Costa Rica
Special Kenya

Continental
Brasilian
Breakfast

Kenco Fresh Ground Coffee
Special Kenco
Blend
High Roast
Mild Roast
Brasilia
Vienna
Fresh Coffee Bags

Filter Coffee
Kenco

Tea
Typhoo

Kardomah Tea
Luxury Tips
Favourite

Tea Bags
Kardomah
Strongbrew
Kardomah
Kenco Tea
Ceylon No. 5

Kardomah Leaf Teas
Luxury
Ceylon
Darjeeling
Earl Grey
Keemun
Lapsang
Souchong
Jasmine
Orange Spiced
Orange Pekoe
Young Hyson
Oolong

Composite Pack (Luxury/Ceylon/ Darjeeling)
Blue Label

Catering Services

Wines and Spirits
Dubonnet
Dubonnet Dry
Andre Simon Wines
Cusenier Liqueurs
Dow's Port
Valdespino Sherry
Marquis de
Caussade
Armagnac
Aalborg Akvavit
Castillon Cognac
Jules Belange
Grape Brandy
G. A. Schmitt
Rhine & Moselle
Wines
Preiss-Zimmer
Alsace Wines
Pandolfini
Italian Wines
Paul Sapin
Burgundy

Vending Ingredients
Typhoo Leaf Tea
Fine Brew
Instant Tea
Kenco Instant
Coffee
Cadmil
Koffee Kreems
White Queen
White Monarch
Cadbury's Gold
Cup Coffee
Cadbury's
Cup Choc
Cadbury's
Vending
Chocolate
Kardomah
Vending
Chocolate

Natural Spa Waters
Schweppes
Malvern Water
Evian
Spa
Arline

Paper Products
Babysoft
Toilet Tissue
Jeysoft
Toilet Tissue
Superstrong
Toilet Tissue
Interfolded
Paper Towels

Cleaners
Blue Magic
Bathroom Cleaner
Bloo
Scrubbs Ammonia
Sanilav
Miraglo
JeyBrite
Liquid

Bleaches and Disinfectants
Parozone
Brobat
Jeyes Fluid
Jeypine
Ibcol
3 Hands
Freshbin Powder
Ibcol Extra
Jeyes Power
Bleach
Cleanser

Shampoo
Sulco

Washing-Up Liquid & Powder Detergent
3 Hands
Washing-Up
Liquid
Superblend

Air Freshners & Insect Killers
Airwick Aerosol
Airwick Flykiller
Airwick Liquid
Airwick Solid
Airzone
Di-Fly

Fire-lighters
Wonderflame

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CU down but better trend

REPORTING A first quarter 1976 underwriting loss of £15.4m., the directors of Commercial Union Assurance Company state that, although heavier than the £6.5m. loss shown for the same 1975 period, the result is much improved compared with the third and fourth quarters of 1975, reflecting some of the corrective action taken in that year.

Taking into account higher investment income—£25.9m. compared with £22.6m.—and life profits, the group pre-tax profit emerges at £6.9m. This compares with £11.8m. in the same period of 1975 and with a loss of £10.2m. for the whole of that year when the underwriting loss amounted to £94.1m.

At the attributable level the first quarter profit comes through at £4.3m. against £6.3m., with earnings per 25p share stated at 1.38p compared with 2.05p.

First quarter premium income rose by over 30 per cent. to £302.2m., half of which was due to exchange rate changes.

The directors report that in the U.K. underwriting profits have again been earned but on a greatly reduced scale, largely because of the effect of inflation on liability claims. In the U.S. the statutory operating ratio in the first quarter was 110.0 compared with 113.9 for 1975 as a whole and 123.0 in the final quarter. Significant rate increases have been and are being obtained and CU is benefiting from lower expense and commission ratios.

The agency cancellation programme is complete and the effects are as expected. Until the second quarter run-off is known the group has charged only £1m. of losses arising from this business to the provision of £15m. set up at December 31, 1975. This is not reflected in the statutory operating ratios given but has been credited in arriving at the underwriting loss.

Severe weather conditions prevailed in the north east of North America in the opening weeks of 1976. These caused a higher than usual incidence of motor and property damage claims that adversely affected the first quarter's results for the U.S. and also Canada, the directors explain.

In Australia, although underwriting losses continue, the scale of these has been reduced. In Western Europe, generally the results are unchanged.

Claims arising from storm and flood damage on January 2, 1976, which affected the U.K. and Holland and those from a severe storm in the Canadian Maritimes on February 2 have been charged to the extreme weather provision.

	3 months 1976 £m.	1975 £m.
Premium income	302.2	228.3
Investment income	25.9	22.6
Life profits	1.6	1.3
Underwriting loss	15.5	6.5
Share associates	—	0.9
Loan interest	5.2	4.7
Profit before tax	6.9	11.8
Tax and minorities	2.6	5.5
Attributable	4.3	6.3
Shareholders' funds	315.0	288.0

Airfix link with Unilever

A licence agreement has been signed between Airfix Packaging Developments, a member of the Airfix Industries group, and 4P Verpackungen GmBh of Germany, a subsidiary of Unilever.

Under the agreement, 4P will have rights to manufacture containers and closures by the Airfix process in Germany, Austria, France and the Benelux countries. Initially, the German group will concentrate on the development of food packaging and will market containers and closures made by the DUOPAC process.

EIS drive to raise sales

Given normal working conditions, the present order book at Electrical and Industrial Securities justifies a forecast that turnover and profit will increase again in 1976, says Sir Hugh Weeks, chairman.

New products are being developed and the company is seeking opportunities to manufacture compatible products under licence to accelerate the rate of increase in turnover, he tells holders in his annual statement.

If during 1976 the continued national moderation in increases in money wages is maintained "then we can look forward to continued success."

Sir Hugh reports that the liquid position has strengthened during the year and there is sufficient confidence in the long-term future to be able to undertake a major programme of re-equipment and expansion of manufacturing capacity.

He expects this expenditure will be in excess of 1m. by the end of 1977. This should still leave the company with liquid assets adequate to finance the hoped-for expansion of trade.

As reported April 27, pre-tax profit for 1975 increased from £0.79m. to £1.14m. and dividends *are up from 1.967p to 2.437p net,* with Treasury consent.

A statement of source and application of funds shows an increase of £54,146 (£1,914 decrease) in bank balances and cash and an increase in short-term deposits of £300,000 (£193,000). At year-end bank balances and cash stood at £93,320 (£39,174) and short-term deposits £1.36m. (£1.06m.).

J. Beattie improves

IN THE second half of 1975-76 profits of James Beattie, Wolverhampton-based department stores group, improved from £1.29m. to £1.38m., raising the total for the year ended January 31 last to £2.08m., compared with £1.79m. in the previous year.

Earnings per 25p share are stated to be up from 12.6p to 15.75p. The dividend is increased from 3.43p to 3.77p.

Sales were up from £17.83m. to £22.72m. After tax of £1,002,000 (£916,000), the year's net profit emerges at £1,077,860 against £870,904, from which is deducted serving members' dividend of £171,223 (£144,100).

Mr. Adrian Cadbury, chairman of Cadbury-Schweppes. Freddie Mansfield

Cadbury Schweppes sees real increase

WHILE FINDING it impossible to estimate 1976 results on any valid basis, Mr. G. A. H. Cadbury, chairman of Cadbury Schweppes says that management targets have been set which represent a "real increase" over the figures for 1975.

Although the results in Europe were disappointing last year—because of Italian and Spanish losses—measures taken should enable the position to be improved considerably this year.

One of the main areas for group investment has been North America and in the light of progress to date the chairman is confident of the continuing opportunities there.

Despite economic uncertainties the group is going ahead with a substantially increased investment programme, particularly in the U.K. "We are not asking for any special help or subsidy from the Government, but simply the maintenance of an economic climate which will enable us to earn an adequate return on the funds entrusted to us, over the expected life of the projects concerned," declares Mr. Cadbury.

In 1975 group pre-tax profits expanded from £28.5m. to £38.6m., *from sales of £667m. (£555.4m.). In constant prices sales slightly* more than held their own which, given the degree of world recession, underlines the basic stability of demand for group products, says the chairman.

While the improvement in profitabilty will enable the company to take a more positive *approach to investment and expansion, it can only do so on the* basis that this trend will continue. "Profit margins are still inadequate and do not provide the justification for the scale of investment required for the business to compete effectively and internationally.

"We must be allowed to restore margins to the levels of the early 1970s if we are to maintain our standing in markets round the world and our pattern of growth," stresses the chairman.

It is for this reason the group welcomes the recommendations of the Sandilands Committee on inflation accounting. The main factors which undermine the usefulness of historic cost figures as a guide to the financial health of the business are stock appreciation and depreciation of fixed assets.

A preliminary assessment indicates that the group's cost of sales adjustment would have been a charge of some £12m. and there would have been an increase to depreciation based on historic cost of at least £7m.

An analysis of sales and trading profit—£48.4m. (£37.9m.) by product group shows:—confectionery £263.5m. (£229.5m.) and £22.9m. (£22.5m.); drinks £199.6m. (£160.3m.) and £13.9m. (£7.2m.); tea and food £173.8m. (£137.5m.) £10.5m. (£6.6m.); health and chemical products £30.1m. (28.1m.) and £1.1m. (£1.6m.).

Geographically the figures were split as to:—U.K. 373.4m. (£317.6m.) and £29.1m. (£21.7m.); Europe £51.1m. (£45.2m). and *£1.3m. (£3.4m.); North America £62.2m. (£47.9m.) and £3.3m.* (£3.9m.); Australasia £103.3m. (£84.7m.) and £9.1m. (£5.6m.); Africa £51.2m. (£40.6m.) and £4.7m. (£2.6m.); other £22.8m. (£19.4m.) and £0.9m. (£0.7m.).

Referring to activities outside Europe, the directors state that although trading conditions *continued to be difficult, most of the* companies recovered from the setbacks of 1974 and resumed their pattern of growth.

Net borrowings showed a reduction from £87.9m. to £71.8m. at the year end. This was achieved after expenditure of over £24m. on fixed assets and after increasing the amount owed to creditors by £7m.

A statement of borrowings net of cash shows that there was an increase in net liquid funds during the year of £39.9m. (£34.1m. decrease) which was partially offset by an increase in loan capital and exchange adjustments of £23.8m. (£11.6m.).

Borrowings comprised £64.2m. (£40.4m.) loan capital, £38.1m. (£53m.) short-term borrowings, less £30.5m. (£5.5m.) cash balances and short-term loans receivable.

Mr. Cadbury's statement includes a review of the *development of employee participation in* the company and an assessment of the contribution it can make.

Directors emoluments include a payment of £75,800 as compensation for loss of office.

Meeting, Abercorn Rooms, E.C., June 10 at noon.

Chairman's statement page 19

Empire Stores starts well

THE CURRENT year has opened on a "reasonably satisfactory" note for mail order group Empire Stores (Bradford). The new catalogue has been successful and the demand pattern is improving, reports chairman Mr. C. T. Wells.

He says he faces the future with reasonable confidence. Everything is being done to increase the efficiency of every department so that when the economic position improves, greater benefits will be received by everyone.

Throughout the current year considerable costs are faced in developing the work of the computer and much more dual-running, with its attendant costs, will be *necessary this year, the bene*fit of which will not be seen for at least another twelve months.

By the end of 1977 the complete paper work needed by agents will be almost entirely handled by the computer.

In the 53 weeks ended January 31, 1976, group pre-tax profit ex*panded from £3.66m. for the* previous 52 weeks to £4.43m. and the dividend is raised from 2.8p to 3.03p net.

Members are told that bank facilities made available during the last welve months have been maintained and the chairman believes that group requirements *for finance over the next two* years can be satisfactorily met from such arrangements.

In August, 1975, £1.78m. was raised by way of a rights issue and this enabled the group to proceed with all plans necessary to facilitate the growth of business which the chairman believes will come when the economic climate improves.

Stock turnover has continued to improve while tighter and more efficient control of debtors has prevented any reduction in the credit facilities offered.

During the year there was a net increase in liquid resources of £1.48m. (£0.59m.). At the year-end cash and short-term loans stood at £1.77m. (£0.87m.) and there was a bank overdraft of £0.24m. (£0.12m.).

Meeting, Bradford, June 8, at noon.

● comment

Empire Stores continued to keep its level of stocks under very close control last year—at £6.9m. they compared with £7.5m. two years ago—so with help from the rights issue proceeds there was no problem in financing working capital, which was pushed up by the 18 per cent. rise in debtors. This figure emphasises that Empire has not been forced back on defensive moves like cutting its credit terms. On the other hand it seems to have been leaning more upon its suppliers, with creditors exceeding stocks by £1.5m., a £3.4m. turnround since 1974. For the current year Empire's prospects look reasonably good, although a new phase of computerisation moves may involve a further spell of double-running costs. At 88p the shares yield 5.4 per cent., and should respond to any upswing in consumer spending.

Chairman's statement page 18

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends concerned are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TO-DAY

Interims:— Investors Capital Trust, NSS Newsagents, Ranks Hovis McDougall, Ransome Hoffmann Pollard.

Finals:— Barr and Wallace Arnold Trust, Blantyre Tea, Bunzl Pulp and Paper, Richard Costain, Globe Investment Trust, Harcros Investment Trust, P. and W. Maclellan, More O'Ferrall, Nurdin and Peacock, Sabah Timber, Sears Holdings, Usher-Walker, H. Woodward.

FUTURE DATES

Interims:—

Caravans International	May 28
Devenish (J.A.)	May 19
Midland Industries	May 13

Finals:—

De La Rue	Jun. 8
Ferguson Industrial	May 21
Hield Bros.	May 14
London Trust	May 19
600 Group	Jun. 10
Steel Bros.	May 19

Young Cos. Investment

Basic earnings per £1 share of the Young Companies Investment Trust improved from 2.95p to 3.04p in the year to March 31, 1976.

And the net dividend total is lifted from 2.6p to 2.9p, with a final of 1.9p per share. The forecast was for at least maintenance of the net payment.

Net assets per share at market value at the year-end are shown at 68.8p, against 47.2p and the *unaudited figure at May 3, 1976,* at 72.8p.

	1976 £	1975 £
Revenue before tax	282,192	290,935
Tax	84,331	98,991
Net profit	197,861	191,944
Interim div.	65,000	65,000
Proposed final	122,500	104,000
Forward	9,361	22,944

North Midland Construction goes ahead

Turnover of North Midland *Construction improved from* £1.31m. to £1.69m. in the half-year to February 29, 1976 and profit went up from £104,561 to £122,356, subject to tax of £76,344, compared with £54,366. The attributable balance is £39,917, against £45,464.

The interim dividend per 10p share is again 0.45p net—the *previous year's total* was 1.1p from record profits of £293,505.

In January it was stated that 1975/6 had started well and that the directors were hopeful of "another profitable year."

Investment and Property £0.67m. loss

After interest written off amounting to £0.79m., compared with £0.52m., Investment and *Property Holdings incurred a pre*-tax loss of £0.67m. for the first half to October 31, 1975, against £0.24m. Turnover increased from £0.85m. to £1.87m.

And, in view of the lack of disposals prior to the year-end, the directors expect similar second-half results. "More encouraging news" is expected in the chairman's annual review.

	Half year 1975 £000	1974 £000
Turnover	1,563	853
Interest w/o	790	519
Pre-tax loss	669	242
From non-distrb. reserves*	62	—
Extraord debit	242	192
Minorities	3	†2
Deficit	852	147

* In respect of interest net of tax on U.K. development props. † Credit.

Loss per 25p share in the first half is shown at 10.19p (loss 4.04p) before extraordinary items. There is again no dividend—the last payment was a 0.45p net final for a 1.15p total in 1973/74.

Since October 31, the directors have made a disposal in Holland which realised about £1.4m. representing a small profit over book value.

However, a substantial reduction in borrowings will not be achieved *until one or more of the three* major City of London investment properties are sold.

The largest development, Broken Wharf House in the City of London, will be completed towards the end of this year and the letting campaign will soon commence. Other development schemes are progressing satisfactorily and when completed and sold will also reduce borrowings.

The directors' confidence in the future of City property remains and they are reassured that the prime City property represents three-quarters of the investment *portfolio.*

Bishopsgate Trust makes and pays more

Income at Bishopsgate Trust rose from £911,827 to £950,532 during the year ended March 31, 1976 and, after interest and management fees down from £339,320 to £296,014, revenue was up from £572,507 to £654,518, subject to £248,855 (£209,207) tax.

Earnings are shown to have advanced from 4.11p to 4.65p per 25p share and the final dividend is 2.9p net making a total of 4.4p, compared with 4p.

Net asset value is shown at 200.8p compared with 142p.

	1975-76 £	1974-75 £
Income	950,532	911,827
Expenses	296,014	339,320
Revenue before tax	654,518	572,507
Tax	248,855	209,207
Revenue after tax	405,663	363,300
Dividends	383,731	354,343
Forward	628,720	605,136

Slow start at Morris and Blakey

First quarter 1976 results at Morris and Blakey Wall Papers have been disappointing, and the competition has intensified, reports Mr. A. G. Morris, chairman, in his annual statement.

But he is confident that in the longer term the company's policies will be proven correct.

As reported on April 9, pre-tax profit in 1975 increased from £0.31m. to £0.38m. and the dividend is 4.11p net (3.85p). According to Mr. Morris the profit improvement stems from the policy of selling on a broad front from a variety of outlets.

Further action has been taken to rationalise the group structure which will help to reduce costs, he says. The policy of opening larger units has been continued although only three were opened in 1975—he anticipates, however, that a further seven will be opened this year.

Several smaller outlets were closed and the leases sold at a £16,628 profit. The financial position "remains strong," he adds.

Meeting, 10 Belgrave Square, SW, June 2, noon.

Good growth possibilities for Gallaher

ABOUT A quarter of the non-tobacco profits of American Brands were contributed by the four diversified businesses purchased and developed by Gallaher, its British subsidiary, chairman Mr. R. K. Heimann told the American Brands annual meeting in New York.

Last year these non-tobacco enterprises accounted for $25.5m. operating income on sales of $484m.—a profit increase of 15 per cent.—and long range they gave Gallaher "good growth possibilities," he added.

They include a chain of retail stores and a chain of wholesale establishments, operating in the U.K., an optical goods business, strong in Britain and expanding into the EEC, and an engineering group, which had shown growth not only on the Continent but also in a number of world markets, Mr. Heimann said.

Total operating profits of American Brands from tobacco reached a new high in 1975 of more than $260m. and of this Gallaher contributed about one-fourth.

For the first three months of 1976 Gallaher's operating income in sterling was up by 19 per cent. which, translated into dollars and with the pound 20 per cent. down in the last year, made the British subsidiary's contribution to net income about the same as last year, Mr. Heimann added.

Dollar results from the British operations would continue to be affected by movements of sterling. However, under the new accounting rules mandated by the Financial Accounting Standards Board, American Brands would no longer have to charge net income each month with foreign exchange adjustments in the value of its entire British leaf inventory.

Rather, exchange adjustments would be phased in over 18 to 24 months as the leaf was sold as finished product. This means the effects of sterling changes would be stretched out but not eliminated.

When the international tobacco business was expanded in 1968 through purchase of Gallaher shares, American Brands borrowed in Germany and Switzerland, among other places. In the first quarter of this year $107.87m. were paid off the total German and Swiss indebtedness and the remaining $12.3m. would not significantly affect results. In any case they would be paid off as quickly as possible.

Although sales of cigarettes in general increased only slightly in 1975, the American Tobacco Company's filter cigarette business "continued to edge up against powerful competition."

Clydesdale Investment

REVENUE for the six months to March 31 1976 of Clydesdale Investment slipped from £676,107 to £614,787 before tax of £252,050 against £261,923. The pre-tax figure for the year to last September was £1.41m.

First-half earnings are stated as 1.35p compared with 1.49p per 25p share on increased capital. As known the interim dividend is held at 0.5p net—last year's final was 0.85p and the directors expect to recommend at least the same this year.

The net asset value per Ordinary and "B" share is given as 78.6p against 65.5p.

A.-African Finance pays 0.75p

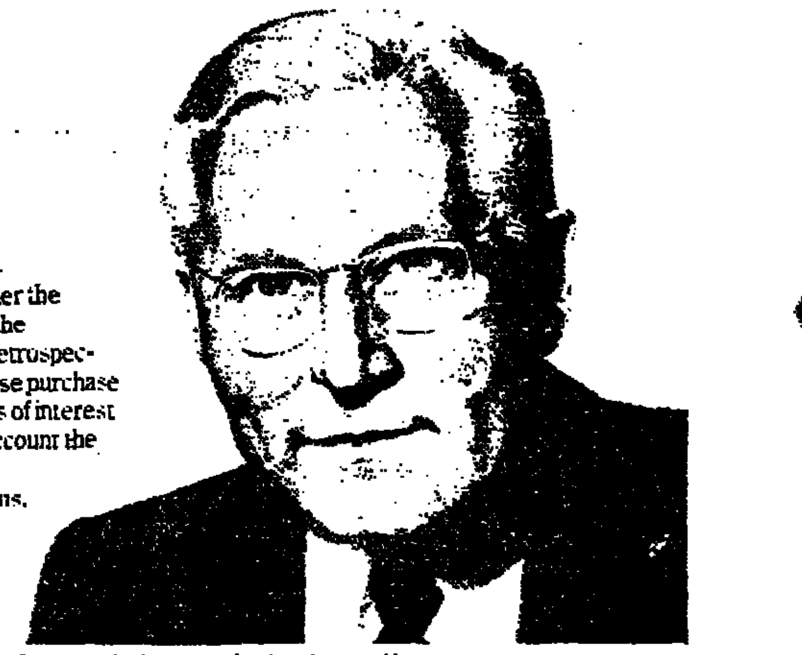
TURNOVER FOR the year to January 19, 1976 of Anglo-African Finance was little changed at £7.77m. but pre-tax profits jumped from £35,783 to £583,183 after £210,529, against £153,633, for the first half.

Full year earnings are shown to be 2.88p per 7½p share compared with a loss of 2.39p. The dividend is stepped up from 0.554p to 0.75p net.

	1975-76 £	1974-75 £
Turnover	7,774,772	[illegible]
Pre-tax profit	583,183	[illegible]
Taxation	271,927	[illegible]
Net profit	371,256	[illegible]
From currency res.	8,821	[illegible]
From capital res.	—	[illegible]
Minorities	118,598	[illegible]
Attributable	263,491	[illegible]
Retained	196,348	[illegible]

* Loss.

SUN LIFE ASSURANCE: "ANOTHER VERY SUCCESSFUL YEAR."



Statement by the Chairman, Mr. P. G. Walker

It will be seen from this Statement and the accompanying Report and Accounts that the Society has had another very successful and, indeed, record year. These results have been achieved in a period of great difficulty, especially marked by a continuing, quite unacceptable, rate of inflation. I cannot, therefore, praise too highly the dedicated concentration which all members of the staff have brought to their work, thus making these results possible.

Directors and management

There have been no changes in our Board membership during the year, but since the end of the year Mr. D. J. Robarts has indicated that he does not wish to offer himself for re-election at the Annual General Meeting, having reached the age of 70. Further, Sir Charles Villiers, whom we must congratulate on receiving a Knighthood in the 1975 Birthday Honours List, has subsequently accepted the position of Chairman of the British Steel Corporation and, whilst we recognise the honour of this appointment, we regret that it involves him in retirement from our Board. May I express my own and your deep appreciation of the very long, loyal and devoted service to the Society of both these directors and wish them all good luck in the future.

I would like to welcome Mr. J. D. Webster's deserved promotion to the Executive, where he will continue to be responsible for our investment management.

New business

Our new business written showed a substantial increase over the previous year and I am glad to say that this increase in new premium income was greater than the average for the industry as a whole. I need hardly stress the importance of ensuring that, at a time when costs are soaring, we achieve a substantial growth in soundly based premium income. The very satisfactory rate of growth is illustrated by the fact that our new annual premium income has, over the past three years, increased by 135 per cent.

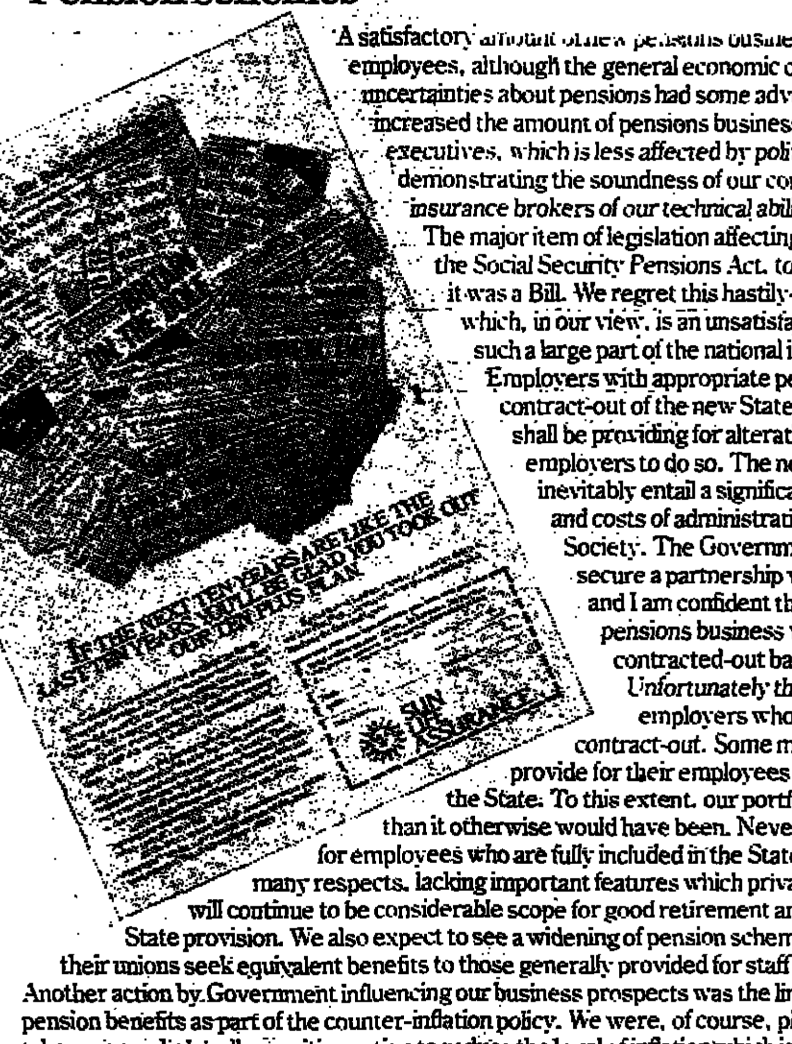
One area of our business which has shown very great expansion during the year has been that of the open-ended or flexible endowment assurance. Our own name for this is the Ten Plus Plan, given this name because, although basically a with-profit endowment assurance maturing in the 65th year of age, it can be cashed at any time after 10 years on favourable guaranteed terms. Introduced only in 1973, this contract now generates a greater new premium income than any other single class of business outside the pensions area.

The introduction of Capital Transfer Tax, which replaces Estate Duty, but also applies to certain lifetime transfers, has created a new field for life assurance and the Society has designed a new type of policy to meet this requirement. The policy is a modification of the Ten Plus Plan, but written on a whole-life assurance basis. Alternatively, a life assurance policy under which the sum assured is not payable until the death of the survivor of husband and wife may meet the new requirements in certain circumstances, and such a policy is, of course, comparatively inexpensive.

A very high proportion of our business is placed with us by insurance brokers and we can expect to continue to receive substantial support from them only if we maintain a high level of service. The complexity of our business, much of which is imposed upon us by Government, makes it increasingly more difficult to hold our costs down whilst, at the same time, setting a higher standard of service.

A development which is aimed at improving service and which became operative at the beginning of 1976 was the formation of a London Area Office, specifically for the servicing of all our business in the Central London Area. It is early to gauge the results from this change, but by concentrating an efficient area administration in the one building in Borough High Street we are creating the opportunity for our Central London Branches to concentrate on obtaining new business. We have, at the same time, combined our three City Branches into two units and, therefore, in addition to an improved service, we shall effect a saving in overhead expenses.

Pension schemes



A satisfactory amount of new pensions business was secured for groups of employees, although the general economic conditions and the political uncertainties about pensions had some adverse effects. We substantially increased the amount of pensions business written for directors and executives, which is less affected by political developments, thereby demonstrating the soundness of our contracts and the appreciation by insurance brokers of our technical abilities and service.

The major item of legislation affecting pensions business in 1975 was the Social Security Pensions Act, to which I referred last year when it was a Bill. We regret this hastily-conceived plan for State pensions which, in our view, is an unsatisfactory basis for a matter involving such a large part of the national income.

Employers with appropriate pension schemes are to be able to contract-out of the new State earnings-related pensions and we shall be providing for alterations to pension schemes to enable employers to do so. The necessary arrangements will inevitably entail a significant increase in the complications and costs of administration for both employers and the Society. The Government have stated their intention to secure a partnership with funded occupational schemes and I am confident that a reasonably large volume of pensions business will be operated on a contracted-out basis.

Unfortunately there will be a material number of employers who will be unable or unwilling to contract-out. Some may reduce the benefits they provide for their employees to allow for those promised by the State. To this extent, our portfolio of business will be smaller than it otherwise would have been. Nevertheless, the proposed benefits for employees who are fully included in the State scheme will be inadequate in many respects, lacking important features which private schemes can provide. There will continue to be considerable scope for good retirement and related benefits on top of State provision. We also expect to see a widening of pension schemes as works employees and their unions seek equivalent benefits to those generally provided for staff employees.

Another action by Government influencing our business prospects was the limitation on increasing the level of pension benefits as part of the counter-inflation policy. We were, of course, pleased that the Government should take, even so belatedly, positive action to reduce the level of inflation which is detrimental to all forms of investment. However, under all previous incomes policies pensions provision was not restricted as its contribution to savings and investment was regarded as helpful in controlling inflation. On this occasion it became apparent, a few days after the policy was introduced in July, that the Department of Employment was regarding new and improved pension arrangements as equivalent to additional wage benefits, whose cost had to be set against the £6 and £8,500 limits. We were able to obtain some publicity in the national press and on local radio for our view that the inclusion of pensions was irrelevant and limited relaxations were announced as the legislation was rushed through Parliament, which have given some help towards maintaining the momentum of our business. The position, as stated by Government for the twelve months beginning in August 1976 is unclear and somewhat discouraging, but it is still to be hoped that useful changes may be negotiated in conjunction with the second stage of the pay policy. In the meantime, we will continue to take advantage of all opportunities for pensions business which occur.

Our subsidiary, Sun Life Pensions Management Ltd., has continued to expand and the funds at the end of 1975 had reached £9½ million. The investment results over the period the company has been in operation have compared very favourably with our competitors. Until now, the investment and administrative services offered have been provided mostly to existing clients transferring from insured schemes. Now that the subsidiary has developed a satisfactory base and a good record, we believe that there are considerable opportunities for promoting its services actively to new clients.

Funds

From the Accounts you will see that group income during 1975 exceeded outgo by £44 million, and that the total of our funds, including investment reserves, is now £595.7 million. The premium income for the year, excluding cash bonuses applied as annuity premiums, showed a record increase of £14.9 million to a total of £86.6 million, while investment income of the long-term insurance funds rose to £45.5 million. On the outgo side, the surrenders figure is up by £3.9 million, but most of this represents the cash options which we expected would be taken on the fifth anniversary of our first issue of annuity bonds.

The high rates of inflation prevailing recently have caused many problems. Not least is the effect on the level of our expenses of management and 1975 was a particularly difficult year to contain the rate of increase. Nevertheless, this was in line with estimates from our system of budgetary control over all expenditure. Because of inflation, an interim actuarial valuation of our staff pension fund was undertaken in 1975 and your directors accepted the recommendation that an additional £2.1 million be paid into the pension fund in order to maintain an adequate funding level.

Last year I stated that, in view of the investment conditions prevailing at the end of 1974, the directors considered it prudent to transfer to investment reserves the shortfall between the market values and book values of invested assets. The total of the transfers so made was £75.5 million. The market value of our quoted securities at the end of 1975 had appreciated of course very considerably from the end-1974 values, but this year all the assets have had to be valued for Insurance Companies Act 1974 purposes under the Valuation of Assets Regulations, which are very stringent and based on "break-up" value principles. The directors consider it more appropriate to continue showing all the invested assets at their book values in the annual accounts. They have, however, maintained investment reserves equivalent to the shortfall between the values as determined under the Valuation of Assets Regulations and the book values in the Society's Balance Sheet. This amounts to £25 million.

Actuarial valuation

For actuarial valuation purposes, it is necessary to value assets under the relevant Insurance Companies Act 1974 regulations referred to in the previous paragraph. These regulations are onerous when applied retrospectively to the Society's existing portfolio, particularly as regards house purchase loans and certain other loans secured on land or property. The rates of interest used in the valuation of liabilities have been increased, taking into account the increased yield on the revalued assets.

I am sure you will be pleased to see, despite these technical problems, that the surplus emerging in respect of the years 1974 and 1975 shows a further satisfactory increase over the previous valuation periods.

Much of the increase in surplus, however, has been as a result of the rapid expansion of the pension business fund, where the transfer to the Proprietors' Fund generates an additional tax liability. In view of this increasing burden, and in order to maintain our competitive position, the directors have decided to use the flexibility allowed in Regulation 112 of the Society's Laws and Regulations to reduce the proportion of profits allocated to proprietors from 10 per cent to 8.8 per cent. Nevertheless, the amount transferred to the Proprietors' Fund of £3.19 million, together with the share of interim, terminal and vesting bonuses already allotted, is over 10 per cent higher than the corresponding figure two years ago.

As a result of the valuation, we have once again been able to declare reversionary, annuity and group pension bonuses at record high levels, with increases being made for many of our major classes of business. You will recall that last year, for our simple bonus series policies, I had to report a reduction in our terminal bonus payable on current claims on death or maturity from 25 per cent to 15 per cent of attaching bonuses. I am glad that the recovery in security values during the last year has justified an increase in this bonus to 20 per cent.

Dividends

The first half-yearly dividend paid in 1975 of 1.3355p per 5p share was declared when the statutory limit for annual dividend increases was 12½ per cent. The reduction of the permitted increase to 10 per cent announced in July, together with the change in the associated tax credits resulting from the increase to 35 per cent in the basic rate of income tax, compelled us to reduce the second half-year's dividend to 1.1982p per share, making a total for the year of 2.5337p (equivalent to a gross dividend of 3.8980p per share, compared with 3.5437p for 1974).

A half-year's dividend of 1.3935p per share has been declared for payment on 1st July, 1976. This has been declared in accordance with the present statutory limit; the amount of the second half-year's payment will depend upon the regulations and the basic rate of tax in force at the time it is declared. It would be your directors' intention to increase the rate of the second payment for 1976 if they are permitted to do so.

Investment

Although the economic problems facing the country are still serious, 1975 was a year in which some confidence was restored to investment markets. Consequently, the large cash balances built up in 1974 have been invested in addition to our new money, and we reached the end of the year relatively fully invested.

In the fixed interest markets over £30 million has been invested by the Society and advantage has been taken of the high yields obtainable on longer-dated stocks.

One of the striking features of the equity market has been the number of rights issues which have enabled companies to raise money to help the future growth of their business. We have been happy to subscribe for our share of these issues. Overall our net investment in ordinary shares during 1975 was £10 million. Although the Government now appears to recognise that if industrial investment is to be improved greater profitability is essential, it still fails to appreciate the inhibiting effect of dividend restraint and we were disappointed that the Government felt it necessary to reduce the maximum rate of dividend increase payable from 12½ per cent to 10 per cent. It is to be hoped that the necessary tightening of the "incomes policy" later this year will not lead to any further restriction on dividends. It is quite inconsistent to continue a policy of restriction of reward and, at the same time, complain of limitation of investment in industry.

Whilst the market in prime properties revived a little, 1975 was notable for the continuing over-supply of secondary properties. The Society continued to tread cautiously in the property market and, although £12 million was invested, this was mainly in connection with the completion of first class developments entered into earlier.

In house purchase mortgages our net investment in 1975 was £4 million. Our scheme, under which we are willing to assist house purchasers who find that their requirements are not met fully by building societies, again proved popular and an increased amount of business was transacted.

Aid to industry and institutional investment

The past year has not only been a difficult one economically and for the assessment of investment prospects both at home and abroad, but in our own industry we have had to consider the measures of support which we could properly give to reducing the hardship suffered by policyholders of certain failed life companies. This was not an easy matter to decide, particularly when our assets primarily consist of the accumulated savings of a great many policyholders, which the directors and management have a duty to protect to the full. In the event, limited liabilities have been undertaken in connection with some well publicised rescue operations, such as the London Indemnity and Nation Life cases. In future, however, any similar contributions will not be voluntary ones, but will be levied under the provisions of the Policyholders Protection Act.

This legislation, which was enacted in November last, provides for a maximum levy in any financial year of 1 per cent of the premiums received in respect of business written after 31st December 1974. While initially this additional toll can be absorbed, it is earnestly hoped that the new regulations regarding the solvency and conduct of insurance companies will enable the authorities to monitor the industry more vigilantly and so minimise any future calls upon our funds.

A feature which has caused us greater concern in recent months has been the pressure from certain quarters for the use and direction of our investment funds. While readily acknowledging that the right measure and timing of additional investment in our prime industries is necessary for our economic survival, we must ensure that our participation will be both secure and profitable. On this basis, we have taken our due proportion of securities issued to provide new money for many industrial companies and for the enlarged Finance for Industry, and if a case is proved that a potentially profitable concern is unable to finance its requirements through any of the existing sources, we will be prepared to consider investment upon its merits. We are nevertheless convinced that the existing machinery for capital raising provided by the City is adequate and we see no reason for the setting up of any new organisation for the purpose of filling a supposed gap. Accordingly, we do not propose to contribute to the Equity Investment Bank.

Administration

Relocation of the greater part of our Chief Office to Bristol has continued to be a major preoccupation in the administration field and, during the year, part of the Accounts and Personnel divisions have moved and the Policy writing Department is now wholly operating from Bristol. The Training unit has also moved into its new premises, which are designed to provide a very high standard of training aids. We have found that an efficient Training unit is of great value in improving our effectiveness, both in technical spheres and in management development. Planning is now well advanced for the move of a large number of departments in the summer of 1976.

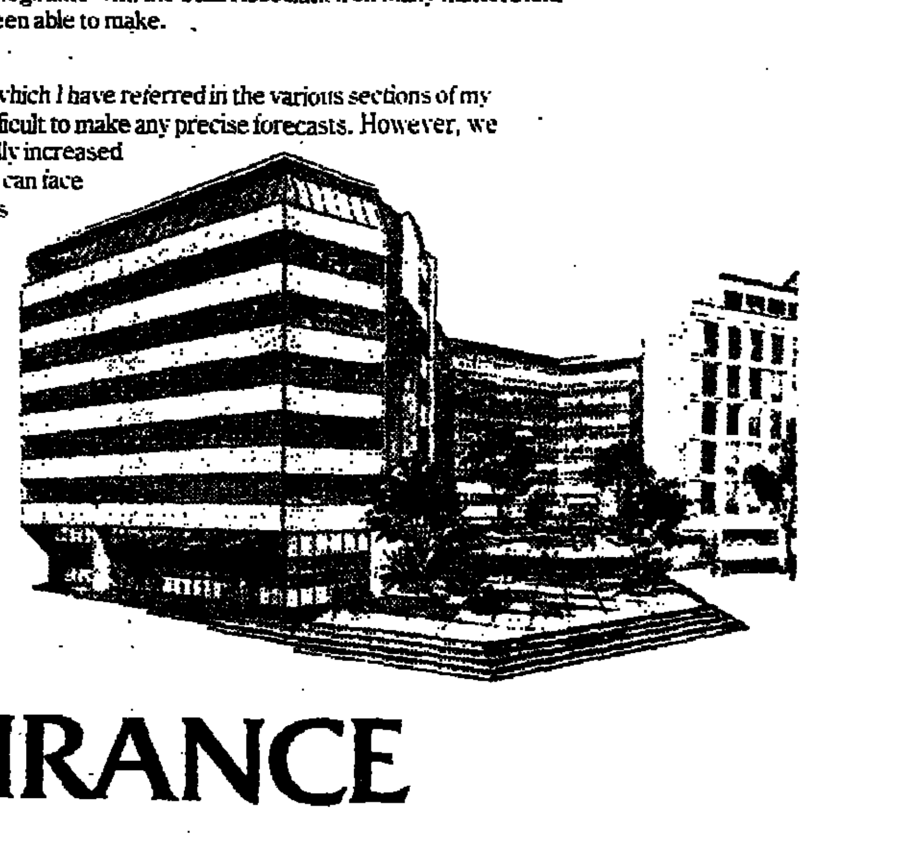
In May 1975, at the annual salary review, our scales were increased in line with the increase in the cost of living since the previous adjustment. In 1976 we shall support the Government's pay policy, since the need to conquer inflation is of paramount importance, but I must make it clear that within a carefully calculated and negotiated job evaluation salary structure, such as exists in the Society, a continuing prohibition upon individual salary increases for good performance and any increase for those earning £8,500 or more, will in the end operate to the detriment of increased productivity.

Throughout the year we have continued to consult and negotiate with the Staff Association on many matters and I appreciate the constructive contributions they have been able to make.

The future

With all the alterations to the law and circumstances to which I have referred in the various sections of my Statement, you will readily understand that it is very difficult to make any precise forecasts. However, we have since the end of last year experienced a substantially increased volume of business and I have every confidence that we can face the problems of the future as well equipped in all areas as normal prudence, energy and foresight can ensure.

Since writing my statement we have announced our intention to acquire the balance of the issued share capital of Artagen Properties Limited which we do not already own. Enclosed with the Report and Accounts is a copy of the formal offer document which sets out why we have made the offer and what are our plans for the future of Artagen and its staff.



SUN LIFE ASSURANCE

The Report and Accounts are available on request. Please write to:
Secretary's Department, Sun Life Assurance Society Ltd, Freepost, London EC2B 2YH. No stamp is required.

Robb Caledon in profit

A RETURN to profitability with a pre-tax balance of £169,000 is estimated by Robb Caledon Shipbuilders for the year to March 31, 1976. This is based on an assessment of individual contracts made in March 1976 and is arrived at after making provisions totalling £1.84m. in respect of contracts in progress at that date.

For 1974-75 there was a loss of £1.57m., struck after an increase in provisions of £3.5m. The total provision for losses on completion on contracts based on an assessment at August 31, 1975 was £4.15m.

Chairman Sir John Brown explains that the loss in 1974-75 arose principally in respect of two cable repair ships under construction and an ocean-going salvage tug. The first cable ship was handed over in November, 1975 while the tug was virtually complete by March 31, 1976 and has subsequently been handed over while progress on the second cable ship has been maintained as has the rest of the building programme.

Uncertainties in regard to the incidence of future overhead charges in the valuation of contracts in progress has been to some extent resolved by the receipt in February, 1976 of an order for a liquefied petroleum gas carrier. Efforts continue to be made to obtain further orders and a number of "interesting" possibilities are under examination, adds Sir John.

In accordance with the agreement with Lazard Brothers, Lazards has subscribed in cash at par for 125,000 10 per cent. redeemable Preference shares.

	1975-76 £000	1974-75 £000
Turnover	15,470	10,311
Profit	149	*1,567
Deferred tax	204	†43
Net loss	35	1,524
Minorities	91	*18
Loss attributable	126	1,306

* Loss. † Credit.

When reporting first half profit up from £139,781 to £200,466, the directors said they did not anticipate the second half would be materially different from the first. Earlier, they had forecast a year's figure in excess of £350,000.

Stated earnings per 10p share for the year are up from 4.27p to 4.51p—a final dividend of 0.77p lifts the total from 1.4p to 1.54p net.

Year-end profit is struck after £1,765 (£4,059) income from property, loan interest of £7,331 (£10,738), directors fees of £72,503 (£55,905), bank interest of £86,270 (£86,123), audit fees and expenses amounting to £8,663 (£5,063) and £41,991 (£34,371) depreciation.

Tax takes £218,384, compared with £165,152 and £106,678 (£102,965) is retained.

Peak £0.38m. profit from P. Panto

Wholesale tobacconists, confectioners, grocers and sundriesmen, P. Panto and Co., raised its pretax profit from £318,619 to a record £380,218 during 1975 on turnover up from £16.74m. to £19.13m.

Tricoville ahead and confident

PROFIT before tax of Tricoville, which designs, produces and markets fashionwear, improved by 24 per cent. from £166,000 to £206,000 in the first half to January 19, 1976, and chairman Mr. D. A. Jacobs forecasts a further increase in earnings for the full year.

First-half turnover advanced by 60 per cent. from £1,991,000 to £3,196,000. After tax up from £79,000 to £96,000 net profit rose by 26 per cent. from £87,000 to £110,000.

The net interim dividend is lifted by 25 per cent. from 0.5p to 0.625p per 10p share—this is beyond normal restrictions due to close company provisions. Last year's total was 1.167p paid from record pre-tax profits of £381,574.

In his annual statement last December, Mr. Jacobs said he was confident the group was headed for a further year of record sales and profits. He now reports a successful half-year despite increasingly difficult conditions, and he says the directors are confident that the full year will show a further "real" increase in earnings.

Statement Page 20

MINING NEWS

Stirring times for the tin mines

BY MALCOLM DUMPHREYS

THE LATEST batch of April tin concentrate outputs from Malaysia's mines come at a significant time with the metal price, both here and in Penang, touching all-time records. At last week's London meeting of the International Tin Council it was agreed that export quotas imposed upon producing countries (one of the factors behind the recent upsurge in the price) would be further increased to 40,000 tonnes immediately for the June quarter from the 35,000 tonnes previously imposed.

The dealing price ranges of the International Tin Agreement, which governs the incursions into the market by the buffer stock manager, were also altered upwards. The "floor" price, below which the buffer stock manager must support the market, was raised by $M50 a picul to $1,000, while the "ceiling" level above which he must sell his metal, was pushed up by $100 to $1,200 a tonne.

Over the week-end, the Penang price, which Malaysia's producers receive for their output, jumped by $49½ to $1,175½ thus putting it within striking distance of the upper limit of the new agreement. So the current period is one when good profits will be made providing output and metal sales are around last year's levels or above.

In the London Tin group's outputs, which are tabulated below, work was resumed on April 9 at both Tongkah Harbour and Aokam which were previously hit by a strike in Thailand which started on January 24. Southern Kinta Consolidated operations in that country, however, remain closed, pending assurances on the renewal of the company's leases.

Berjuntai's output was the best since May, 1974, but it brings the total for the year to April to only 3,867 tonnes compared with 4,315 tonnes for 1974-75. Although Southern Malayan's production was below that of the previous month, its total for the 10 months to date of the current year to June of 2,111 compares with 1,916 tonnes for the same period a year ago.

Adding a little spice to the shares of companies within the London Tin group is the possibility of a change of domicile and consequent lifting of dividend restrictions now that the proposed merger with the Malaysian Government's owned Pernas Securities has been given the go-ahead by the London Stock Exchange's Take-over panel.

	Apr. Tonnes	Mar. Tonnes	Feb. Tonnes
Amal. of Nigeria	*185	*201	*200
Aokam	89	26	‡
Berjuntai	397	310	315
Kamunting	44	30	49
Kramat	10	5	14
Kuala Kampar	38	43	40
Lower Perak	23	22	23
Malayan	239	241	146
Sthn. Kinta Cons.	291	295	201
Sthn. Malayan	175	205	228
Tongkah Harbour	28	‡	‡

* Four weeks. § Five weeks. ‡ Does not include Thailand output.

In the Gopeng group, only one company, Petaling, increased its output last month, bringing its seven-month total to 686½ tonnes against 643½ tonnes for the same period of the year to last October.

	Apr. Tonnes	Mar. Tonnes	Feb. Tonnes
Gopeng	178	196	182
Tanjong	14½	27½	27½
Idris	37½	29	27½
Pengkalen	144	16½	16½
Petaling	186	124	124

NORANDA NOW MORE HOPEFUL

After his cautious comments made earlier this year the president of Canada's Noranda Mines, Mr. Alfred Powis, now goes a little further to say that with the worst of the business recession over, the outlook is for a gradual recovery in 1976. The group's earnings for the rest of this year are expected to be substantially better than those of the first quarter.

He points out that new and expanded operations will begin to contribute to earnings late in 1976. It is also worth bearing in mind against the background of the recovering metal markets that Noranda has been carrying big unsold stocks of copper and zinc. On the other hand, the group is also bearing heavy long-term debts.

Last year, earnings dropped by 68 per cent. to $50.5m. (£28m.), a major adverse factor being the $15m. loss incurred at the Gaspe copper mine and processing plant in Quebec. Progress is being made in solving the latter's technical problems and its performance should be considerably improved this year, but much higher copper prices will be needed to produce satisfactory earnings.

BETTER QUARTER FOR AZCON

Bearing out its recent forecast of improving earnings the Consolidated Gold Fields group's American Azcon steel fabricating operation reports net income of $1.67m. (£0.92m.) for the March quarter of the current year to next June.

This compares with $1.33m. for the December quarter but goes against $3.96m. for the March quarter of last year. The latest figure brings earnings for the nine months to date of the current financial year to $5.74m. (£3.15m.) or $1.18 (65p) a share, compared with $16.6m. or $3.40 a share for the same period of 1974-75 when the full year's total was $20.15m. or $4.12 a share.

Azcon says that sales of steel from its mill and through its distribution network have shown an increasing trend, but profit margins are still lower than normal levels.

ROUND-UP

First quarter earnings of the U.S. Freeport Minerals have improved to $13.8m. (£7.6m.), or 89 cents (48.8p) per share. This is above the average of the last three quarterly periods of 1975 but below the re-stated $16.5m. earned in the first three months of that year. The 50 per cent.-owned Greenvale nickel-cobalt venture in Australia increased production in the first quarter but suffered a loss which, because of Freeport's valuation allowance, is not reflected in the latter's results.

* * *

Canada's Kerr Addison Mines reports first quarter net profits of $2.12m. (£1.18m.), or 22 cents (12.3p) per share compared with the 1975 total of 94 cents. The new Agnew Lake uranium property in northern Ontario is due to be in production within two years and Kerr is "bullish" about its economic viability "at the present price of uranium which is about $40 per pound."

* * *

Refuting suggestions that Great Boulder has been selling its shares in Western Mining, the latter Australian company states that Great Boulder's holding of 8.27m. shares in Western Mining has not changed since February. As already announced, these Western Mining shares are to be cancelled now that Great Boulder has become a subsidiary company.

MINING BRIEFS

ANGLO AMERICAN CORPORATION—Coal division sales output for April (figures in metric tons): Republic of South Africa: Bituminous—Amalgamated (Cornelia) 248,824. Anglo Power (Arnot) 447,659. Kriel 199,242. Bleshock 37,570. Coronation (Bank) 162,812. New Largo 97,418. S.A. Coal 156,360. Springbok 174,223. Springfield 250,189. Vryheid Coronation (coal) 27,994. coke 41,149. Vierfontein 99,591. Zuinguin Natal (Indumeni Colliery) 38,145. Anthracite: Balgray 15,040. Natal Anthracite 47,132. Rhodesia: Wankie Colliery (coal) 215,473, coke 19,463. Swaziland: Swaziland Collieries (Mpaka Mine) 18,370. Botswana: Morupule Colliery 15,537. Group total 2,256,412. (March: 2,390,575.)

RAHMAN HYDRAULIC TIN—April tin output 49 tonnes (March 68 tonnes).

GEEVOR TIN—April: 8,668 tonnes ore treated produced 82 tonnes Black Tin (65 per cent. Sn.) including 6 tonnes low grade concentrates. (March 90 tonnes).

STEAUA ROMANA

A report published in the May 7 edition of the Financial Times relating to the Steaua Romana Company, suggested that final settlement had not been reached between the Romanian and U.K. Governments on compensation terms following nationalisation of certain oil properties 30 years ago. This was incorrect—settlement of £3.5m. was announced in January, although the total claims outstanding are thought to range up to £40m.

UCB - Brussels

At the meeting held on Thursday, 15th April, the Board of Directors approved the accounts for the 1975 financial year.

The following statement by Baron C. E. Janssen serves as an introduction to the Report to the Shareholders' General Meeting of 8th June, 1976.

For years we have been repeating that, if growth should slow down, the European and particularly the Belgian industry would be gravely threatened by excessive wage, social, financial and tax charges which would be hard to bear, even in a period of expansion.

Severely hit by the general slump, business firms have indeed been obliged—as a consequence of the excesses of the past few years—to apply stringent measures of cost saving, personnel dismissal and lay-off.

The whole chemical industry had a difficult time in 1975, a year of acute depression, the first symptoms of which had materialized already at the end of 1974.

It was in harsh contrast with the preceding period, the characteristic features of which were pressing demand, intensive industrial production and rapid price increases.

This was deeply felt in the UCB Films and Chemical Sectors; both saw their rates of activity decrease to a considerable degree. From June, 1975 we took steps in the field of organization and cost cutting in order to adjust to our reduced production and sales levels. As a result we could, at the end of 1975, face the pick-up of business with a structure that had become more flexible, more efficient and more apt to yield a profit.

Our Pharmaceutical Sector managed to improve its rate of expansion compared with the year before and to obtain better results, but it was unable to offset the lag of the other two sectors.

The UCB Group net sales in 1975 amounted to 15,306 million Belgian francs, i.e. 15% less than the 17,983 million francs reached in 1974. Consolidated results consequently show a 270 million franc loss: the 1974 profit attributable to UCB was 442 million francs; in 1975 the loss attributable to UCB is 255 million francs.

UCB s.a.'s own results are, fortunately, better, showing a slight profit of 32.3 million francs thanks to income from dividends. With the addition of profits brought forward from previous years, a total of 209.7 million francs is available for distribution.

The Board of Directors, therefore, feel entitled to recommend that 125 francs net be paid as dividend to each capital share, compared with 175 francs last year, and that 38 million francs be carried forward, compared with 177 million francs last year.

Notwithstanding the difficulties we encountered in 1975, we continued to push research and investment work in order to prepare for the expected revival of business. Capital investment expenditure for the whole Group was even a little higher than the year before: this totalled 1,444 million francs compared with 1,360 million in 1974. Investment credits totalling 1,000 million francs were obtained from Société Nationale de Crédit à l'Industrie and Caisse Générale d'Epargne et de Retraite, thereby easing our cash position for the new expansion. Now that these various measures have been applied, we feel we can look forward with confidence to the period of renewed activity that began during the last quarter and has been steadily improving since.

Our present opinion is that the year 1976 will catch up again the normal expansion curve of our Group, with the corresponding profitability, and that 1975 will only have been an accidental deviation from the road chosen by UCB.

I would like to end this review by thanking our staff for their efforts of adjustment which enabled our Group to find a new equilibrium during a particularly difficult year.

FINANCIAL HIGHLIGHTS

UCB GROUP
In million BF/£

	1973 BF	1973 £	1974 BF	1974 £	1975 BF	1975 £
The Group's net sales	12,737	132.7	17,983	211.6	15,306	191.3
Depreciation for the year	899	9.4	1,005	11.8	879	11
Results after taxation:						
—ordinary	479	5	596	7	−244	−3.1
—extraordinary	−154	1.6	1	—	−26	−0.3
—total	325	3.4	597	7	−270	−3.4
Cash flow	1,262	13.1	1,879	22.1	934	11.7
Investments during the year	1,539	16	1,360	16	1,444	18

UCB GROUP
In BF per UCB share/£

	1973 BF	1973 £	1974 BF	1974 £	1975 BF	1975 £
Dividends: gross	193.75	2.02	218.75	2.57	156.25	1.95
net	155	1.61	175	2.06	125	1.56
UCB's share in:						
Depreciation for the year	739	7.7	811	9.5	720	9
Results after taxation						
—ordinary	360	3.7	401	4.7	−208	−2.6
—extraordinary	−137	−1.4	1	—	−24	−0.3
—Total	223	2.3	402	4.7	−232	−2.9
Cash flow per share	995	10.4	1,454	17.1	724	9

Cash flow =
Depreciation influencing the results account
\+ Investment grants received
± Variations Provisions for risks and losses in value
± Results for the year after taxation.

Rate of exchange used: 1973: £1=BF95.99
1974: £1=BF84.97
1975: £1=BF80.02

Copies of the 1975 Annual Report (in English, French or Dutch) can be obtained on request from:

UCB s.a. Public Relations Department, Chaussée de Charleroi, 4
B.1060 BRUSSELS—BELGIUM. TEL: (010) 322 537 12 20. TELEX: 21.280

RECENT ISSUES

EQUITIES

Issue Price p	Amount Paid Up	Latest Renunc. Date	1976 High	1976 Low	Stock	Closing Price p	+ or −	Div. Amount	Times covered	Gross Yield	P.E. Ratio
—	F.P.	—	£25¾	£21¼	Berry Pacific Fd. US$1	£24½	−1	40c	—	8.5	—
$10,500	F.P.	—	[illegible]	[illegible]	Brasilvest S.A.	[illegible]		—	—	—	—
—	F.P.	—	£17⅞	£14⅛	IC Inds.	£17⅞	+⅝	$1.50	—	4.6	—

FIXED INTEREST STOCKS

Issue Price	Amount Paid up	Latest Renunc. Date	1976 High	1976 Low	Stock	Closing Price	+ or −
US$100	F.P.	—	$100	$100	Barclays Bk Intl. 9½% Cap. Notes 1985	$100	......
*116p	Nil	18/5	7½	3	Bowring (C.T.) 10% Conv. 1987	5pm	−½
US$100	F.P.		$99	$98½	Brascan Int. Cap Corp 8½% Guar Notes 1982	$98½	......
**£99½	£10	4/6	10½	10	Chester Water 8% Red. Pref. 1981	10½pm	......
**£99⅛	£10	11/6	10¼	10	East Worcs. Water 8% Red. Pref. 1981	10pm	......
£96.5	F.P.	—	97	95	GLC 12¼% 1983	97¼	−¼
**£98¼	F.P.	28/5	100½	99½	Hartlepools Water 8% Red. Pref. 1981	99½	......
‡‡£100	F.P.	11/6	87½	85	Howard & Wyndham 18% Uns.Loan 1976-91	88	......
US$100	F.P.	—	99¼	96½	LIC 9½% Notes 1981	$97½	+1
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

"RIGHTS" OFFERS

Issue Price p	Amount Paid Up	Latest Renunc. Date	1976 High	1976 Low	Stock	Closing Price p	+ or −
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Renunciation date usually last day for dealing free of stamp duty. [illegible]

BIDS AND DEALS

Sun Life criticises use of funds by Artagen

ISSUING ITS formal bid for Artagen Properties, Sun Life Assurance Society claims that much of the £18.5m. of low-interest funds which it has provided for Artagen since 1973 have "not been used for the purposes for which they were intended."

The agreement, which involves £40m. to be drawn down over eight years, was intended for property development in Britain, writes Mr. Philip Walker, chairman of Sun Life, in a letter to Artagen shareholders recommending the 73p per share cash bid. Instead, much had been used "to buy completed investment properties, for the completion of developments undertaken by third parties and for short term deposits.

"There can be no doubt that the spirit of the Agreement has not been and is not being followed. Furthermore, in recent months new legislation has rendered it almost impossible to use the funds provided for in the Agreement for the purpose intended—namely property development.

"We have come to the conclusion, therefore, that we are not likely to achieve in the long term either the type of security we had anticipated, or a return commensurate with our total investment, unless we exercise full control of this very large interest."

Artagen's share price, at 67p at the time of the bid, was much closer to net asset value than for comparable companies, writes Mr. Walker, because of Sun Life's 33.4 per cent. shareholding in Artagen, "giving the expectation of a bid at any time."

Shareholders should also consider that net asset value of 76½p in the latest Artagen accounts does not take into account capital gains tax on properties if they were to be sold, says Mr. Walker. The funding agreement with Sun Life has "no special value" to a third party acquiring control of Artagen as Sun Life could then cease to provide further funds.

Mr. Walker said yesterday his reference to completing development undertaken by third parties mainly referred to those taken over by Artagen following the failure of the Lyon Group. The value of these was reduced by nearly £3m. in Artagen's accounts.

Mr. John S. Brown, vice-chairman and managing director of Artagen, said he did not accept any of the points made in Mr. Walker's letter about the spirit of the agreement. Artagen had carried out considerable developments since 1973. However, the property world had changed radically since the agreement was signed.

The bid price, he said, took no account of the material improvement in the property market since Artagen's valuation in December 1975. "In due course that improvement will be quantified," indicating that Artagen will commission a new valuation as part of its bid defence. Artagen shares finished yesterday at 79p, down 1p.

The annual report of Sun Life published to-day, shows that overall funds rose by £81m. in 1975 to £568m. Premium income increased by £1.6m. to £34.8m. and investment income by £5m. to £45.5m.

Annuity premiums jumped by over £13m. to £51.1m. Claims and expenses were £4m. higher at £92m. and there was a transfer from investment reserve of £39.4m.

The Society invested over £30m. last year in the fixed-interest market to take advantage of the high yields obtainable on longer-dated stocks. Overall net investment in Ordinary shares came to £10m. most of this coming through taking up rights issues.

Investment in property amounted to £12m., mainly first class developments entered into earlier, and £4m. net was advanced on house purchase mortgages.

Mr. P. G. Walker, in his statement, attacks the Government for "failing to appreciate the inhibiting effect of dividend restraint." He expresses his disappointment in the reduction during last year of the maximum increase from 12½ per cent. to 10 per cent. and says it was "quite inconsistent of the Government to continue a policy of restriction of reward and at the same time complain of limitation of investment in industry.

The new business results last year showed a substantial increase over the previous year, the increase in new premium income being greater than the average for the life assurance industry.

Despite general economic conditions and the political uncertainties about pensions, the society secured a satisfactory amount of new pensions business.

Mr. Walker refers to the Social Security Pensions Act 1975 which he regrets was an "unsatisfactory basis" for a matter involving such a large part of the national income.

He also presses the Government to make its position clear regarding the scope of pension improvements in its new pay policy proposals.

Chairman's statement page 21

INSTEM-KRATOS

Kratos, U.S. manufacturers of instruments, industrial control systems and computer displays, has completed its acquisition of Instem of Stone, Staffs, and now holds all the Ordinary share capital. The technologies of the two companies are very complementary and it is envisaged the acquisition will provide Instem with greatly enhanced opportunities to market its products overseas.

DELSON DEAL TALKS

Delson Group has reached an advanced stage in its negotiations to acquire two companies which own Cylinder and Dorwin Components, of Kings Norton, Birmingham.

Cylinder and Dorwin complements Delson in that it can produce in steel those fasteners and turned parts which Delson now producers in brass.

Subject to final approval, the formal arrangements should be completed on June 7—the offer is for around £280,000 in cash.

The purchasers were advised on this transaction by Grimley and Son, if Birmingham.

Grindlays to sell Genbank stake

Grindlays Bank is selling the minority interest in General Bank and Trust Company (Genbank) in the Philippines which it acquired early last year for Pesos 38.9m. (some £2.7m.).

Reports from Manila indicated that agreement on the sale had been signed early this month. It is understood that the 33 per cent. stake held by Grindlays is being sold in instalments to a trust consisting of local interests.

The U.K. bank took the minority stake with a view to building up representation in the Philippines where regulations would prevent it from having a controlling stake in a local bank.

Genbank, which ranks 17th locally in terms of resources, has a paid-up capital of Pesos 95.2m. —£7m., and it had originally been planned to develop its activities in conjunction with Grindlay's partners, a local business family.

R. J. FAIRHURST

The Ritchie's Estates Group of Companies is to acquire the Midland-based firm of R. J. Fairhurst (Drilling and Blasting) of Sandbach, Cheshire. Mr. Reg Fairfast continues as managing director of the company.

PENTOS-JEAVONS

The chairman of E. E. Jeavons has written to shareholders, strongly recommending them not to sell their shares following the approach to the company made by Pentos; holders will be kept informed of any further developments. Croda International owns 24 per cent. of Jeavons.

BOLANDS FORECASTS PROFIT RISE

The directors of Bolands are recommending shareholders to reject the terms of the revised offer made by Barrow Milling—three Barrow shares plus 64p cash for every eight Boland. In the light of recent interim results, the Board of Bolands forecasting pre-tax profits of less than £680,000 in the current year, compared with £[illegible] an increase of 43 per cent [illegible] intend to recommend [illegible] the dividend payment to 5p [illegible]

The directors believe [illegible] no financial advantage [illegible] offer on both income grounds [illegible] in terms of Bolands profits [illegible] assets.

HUMPHRIES BUYING TWICKENHAM FILM STUDIOS

Humphries Holdings, developers and printers of motion films, a 75 per cent.-owned subsidiary of BET, has agreed terms for the acquisition of Twickenham Film Studios for £326,000 [illegible] of £60,000 on exchange of contracts and £266,000 by the issue of 10 per cent. unsecured notes repayable in equal instalments over five years.

The total consideration may be increased to £360,000, depending on profits of Twickenham [illegible] 1976 and 1976-77, and [illegible] addition would be met [illegible] equal instalments commencing 1978 and bearing 10 per cent. interest.

Humphries also is to [illegible] the interest on the existing mortgage of £240,000 held by [illegible] from 11 per cent. to 18 per cent. until repayment of the loan has been completed.

Net assets of Twickenham [illegible] March 31, 1975 amounted to £243,000 and pre-tax profits [illegible] to £37,000. Humphries [illegible] the excess of purchase price [illegible] net assets being acquired [illegible] covered by Twickenham's [illegible] valued freehold property.

SHARE STAKES

W. and H. Construction has informed Robert Riley (Holdings) that it no longer has a disclosable interest under Section 33 of Companies Act, 1967.

Celtic Haven—Parambe has reduced its interest by the sale of 95,000 Ordinary and now [illegible] 600,000 shares.

ASSOCIATES DEAL

Kleinwort, Benson, bought on Friday, 20,000 Perak River Hydro Electric Power at 450p on behalf of the Government of Malaysia.

Zorn and Leigh Hunt purchased in the market 240,300 Perak Hydro Electric Power at 450p on behalf of the Government of Malaysia.

هكذا من الأصل

INTERNATIONAL COMPANY NEWS + EURO MARKETS

Bank of England acts on 'switch/surrender'

Y MARY CAMPBELL

LOWING representations r London Eurobond houses, Bank of England has now lved one of the problems d for the market by its letter larification on the "switch surrender" regulations in tion to the dollar premium h it issued at the end of last th.

vitch and surrender is a ign exchange market trans- on which members of Euro- issuing syndicates are uired by the bank to go ugh in order to ensure that do not make the dollar nium on the selling conces- —the difference between the value of the bond and the e which they pay for it.

he problem arose over the nt to which syndicate nbers were required to go ugh the switch and surrender ration even where they had ed on either the whole or of their concession to some- to whom they had sold the ds.

ntil the Bank issued its st letter, the rules on the ject appear to have been very , and different houses inter- ed them in different ways.

The Bank of England's letter, by defining aspects of the rules which had hitherto remained undefined, appeared to have put the selling group members in the position of making less of a profit than their overseas competitors on certain aspects of their business.

There appear to have been two main ways in which the new letter put London-based syndicate members at a disadvantage. In the first place it put a limit of ½ per cent. on the reallowance—the amount by which syndicate members were permitted to reduce their selling concession—before going through the switch and surrender operation.

Eurobond houses frequently reallow more than half a point per cent., but insofar as they reallowed more, the letter implied, they would have to take a loss on the switch and surrender.

It is this limitation which has now ben removed. Although Eurobond houses have not been notified by the Bank in writing, it apepars that the position now is that houses can assume exemption from switch and surrender on up to a ½ per cent. and may be exempted on more after application to the Bank.

The other problem posed by the Bank of England's letter concerns the restriction of the exemption to cases where the reallowance is to "professional dealers."

It appears that many houses were traditionaly accustomed to deducting the amount they reallowed from the their commission before switch and surrender regardless of the nature of the institution to whom the reallowance had been made. The implication of the use of the phrase "professional dealers." is that any reallowance given to institutional investors is not exempted from the switch and surrender operation.

This aspect of the Bank's letter appears to have caused less anxiety among Eurobond houses than the half per cent. limit, in so far as it is relatively easy for an ultimate sale to a non-professional institution to be channelled through a "professional dealer" overseas en route.

The whole subject is to be discussed on Friday at the next London regional meeting of the Association of International Bond Dealers.

Boliden 1975 dividend higher than profits slump warranted

BY WILLIAM DULLFORCE STOCKHOLM, May 10.

BOLIDEN, the Swedish metals and chemicals concern, whose 1974 pre-tax earnings of Kr.366m. turned into a Kr.32.5m. (£4m.) loss last year, is paying shareholders a dividend of Kr.10 per share, only Kr.1 less than in 1974, after transferring Kr.163m. from inventory reserves.

The shareholders' report reiterates an earlier forecast of a recovery in trading profits to around Kr.100m. this year and a substantial earnings improvement in 1977.

The parent company inventory reserve fell from 64 per cent. of gross inventory values at the end of 1974 to 19.4 per cent. at the end of last year after a Kr.143m. appropriation from the reserve to give a net profit after tax of Kr.46m. The value of group inventories rose by Kr.145m. to Kr.765m., of which Kr.45m. was attributable to price increases and Kr.100m. to a growth in volume. Claims on customers fell by Kr.93.5m. to Kr.374.3m.

The group maintained a high level of capital investment, Kr.327m. compared with Kr.265m. in 1974, and is undertaking a programme of capacity expansion and environment improvements at its smelting works, calculated to give a high return on capital in the '80s.

Group long-term borrowing rose by Kr.253m. last year, producing net interest charges of Kr.45.5m. compared with Kr.17.6m. the year before. The parent company took a Kr.100m. loan on the Swedish market at 9¾ per cent. and its Supra subsidiary floated a Kr.30m. bond issue at 9½ per cent.. Foreign borrowings included Sw.Frs.30m. bank loan in Switzerland.

Group liquid assets fell by Kr. 102m. to Kr.211m. at the end of the year. The bulk of the profit decline stemmed from the ore and metal division, which accounts for over 55 per cent of group turnover of Kr.2.37bn. (£296m.).

Michelin to seek Frs.1bn.

MICHELIN announced yesterday total proposed 1975 dividends for A shares at Frs.32.10 (Frs.29.25) and A participation and B shares at Frs.30.60 (Frs.27.75). The company has already announced a net 1975 profit of Frs.91.3m. (Frs.83m.).

The company said it will seek shareholders authorisation to issue one or several loans to a nominal total of Frs.1bn. or its equivalent in other currencies. It will also seek authorisation to raise its capital by a maximum Frs.258m. from Frs.449.3m. at present, either by a share issue for cash or incorporation of reserves, or a mixture of both, Reuter reports.

Superfos improves

Danish chemicals group Superfos expects first half earnings to increase by Kr.47m. Last year's net result was Kr.56m. Hilary Barnes reports from Copenhagen. The improvement will derive from improved fertiliser sales, board chairman Mr. P. Soeltoft told the annual meeting of shareholders, and he said that the big improvement in first half profits would not continue over the rest of the year.

AMRO takes stake

Amsterdam-Rotterdam Bank (AMRO) said it took a 15 per cent. in the Swiss bank Cie de Gestion et de Banque Gonet, which has a balance sheet total of Sw.Frs.250m., Reuter reports. Other shareholders in the bank, which has branches in Geneva, are Credit Suisse, Ste. Generale de Banque of Brussels, and Banque Belge of London.

Woolworth sales

F. W. Woolworth said consolidated sales for the four-week period ended on April 27 totalled $397.6m., an increase of 30.8 per cent. over sales of $303.9m. during the comparable period last year. For the 13 weeks ended on April 27 sales were $1.094bn., an increase of 13.8 per cent. over sales of $961.8m. in the 1975 comparable period, AP-DJ reports from New York.

Hachette cuts loss

Librairie Hachette, the French printing and publishing concern, reported that it had cut back its 1974 loss of Frs.78.3m. to Frs.2.6m. last year. Operating profit rose to Frs.55.2m. from Frs.36.9m., AP-DJ reports from Paris.

EDF standby

Eléctricité de France (EDF) said it is considering raising $A300m. standby facility on the international capital market, but no final decisions have been taken, Reuter reports. An EDF spokesman declined to comment on reports that the proposed loan would be at a spread of 1 per cent. with a commitment fee of 0.5 per cent.

AMEV profits up

The Dutch insurance company AMEV reported a net profit of Fls.53.8m. (Fls.36.2m.) for 1975 on total sums assured of Fls.29.1bn. (Fls.25.1bn.). Earnings per share are Fls.11.29 (Fls.9.73).

Airco bids $36m. for Unitek Corp.

BY STEWART FLEMING NEW YORK, May 10.

AIRCO, a leading U.S. producer of industrial gases in which BOC International has a 35 per cent. stake, is making a $36m. takeover offer for Unitek Corp

Unitek is one of the principal producers of dental equipment such as dental braces and stainless steel instruments and claims a 45 per cent. share of this market.

Last year Unitek earned net profits of $2m. on sales of $32m. and Airco says that it is making the tender offer because it believes that there is considerable growth potential in the market for Unitek's products.

Like BOC International Airco has an existing medical instruments division but it has no operations in the dental instruments market.

BOC's stake in Airco was acquired in 1973 and it has since become an issue with the Federal Trade Commission. BOC has been ordered to divest its holding in Airco but has decided to fight the order to the supreme court if necessary.

Neste blames price controls for loss

BY LANCE KEYWORTH HELSINKI, May 10.

NESTE OY, the State-owned oil refining company and the biggest (in terms of turnover) manufacturing enterprise in Finland, reported a loss of M32.9m. (£4.2m. at the December 1975 exchange rate) in fiscal 1975. This is the first time that the company has recorded a loss since it started refining in 1957.

The managing director's statement blames the price control authorities in Finland for being "unable to accept the reality of the cost increases experienced by the industry." But Mr Uolevi Raade adds: "The company's financing position is under control," partly thanks to reserves built up over earlier, more successful years.

Neste's biggest single investment, the Porvoo B refinery, was completed in 1975, raising the company's annual crude refining capacity to 15m. tons. Investments in 1975 totalled M518m. (£66m.) of which M325m. went to Porvoo B.

Although the volume of Neste's sales increased by 3 per cent. the value decreased by 0.1 per cent. to M3.8bn. (£468m.). The company supplied nearly 70 per cent. of Finland's total consumption of oil products.

● Kymi Kymmene, the privately owned Finnish multinational conglomerate, had a mixed year in 1975, as could be expected of any company in which the timber industry is dominant. But its engineering division did well. Kymi's net consolidated sales, inflation notwithstanding, shrank by 9.5 per cent. to M1.35bn. (£170m.).

The company's sawmills operated unprofitably at only 50 per cent. of capacity, pulp production was down by one third, and paper sales contracted by 24 per cent. to M54[illegible] (£70m.). But production and sales in all these branches of the industry are expected to improve slowly towards the end of the current year, as world demand revives.

The global depression hit Kymi's foreign subsidiaries equally hard. Star Paper, the British company in which Kymi has a 95 per cent. interest, saw its sales fall by 19 per cent. to £21.7m.

● Oy Tampella AB, one of the biggest privately owned companies in Finland reported net sales of M923.3m. (£118m.) in 1975, compared with M985m. in 1974. The total rises to M1bn. if the turnover of fully owned subsidiaries is included.

This was in spite of the most serious depression in the timber industry division since the Second World War. This sector has accounted in the past few years for about 50 per cent. of the company's turnover, but in 1975 its share fell to about 40 per cent. The result for the year confirms the advantages of the company's diversified activity. The annual report notes that "considering the exceptional conditions, the company's activities as a whole can be regarded as acceptable."

Investment earnings boost net profits at Winterthur

BY JOHN WICKS ZURICH, May 10.

SPITE a deterioration in al operating results last r due to higher costs and in- ased claims payments, the nterthur insurance concern orded a rise in net profits for 5 to Sw.Fr.43.5m. (£37.7m.) nks to improved capital earn- s and lower depreciation re- rements.

he Board will be asked to rove payment of a dividend Sw.Fr.30 for old stock and Fr.15 for shares and partici- ion certificates issued during the year, plus a bonus of Sw.Fr.10 per old and Sw.Fr.5 per new stock unit.

Gross premium income of the Winterthur group rose from Sw.Fr.2.31bn. to Sw.Fr.2.53bn. last year. Within this total, premium income of the parent company Winterthur Swiss Insurance Company went up 8.8 per cent. to Sw.Fr.1.6bn. (1.47bn.) and would have increased 11.2 per cent. but for the upward movement of the Swiss-franc exchange rate during the year. Of the parent undertaking's premium income, Sw.Fr.633.6m. (598m.) came from direct business in Switzerland itself, Sw.Fr.249.2m. (227.3m.) from France, Sw.Fr.182m. (180.7m.) from Germany and Sw.Fr.135.6m. (121.1m.) from Belgium.

The major subsidiary, Winterthur Life, booked new policies to the value of Sw.Fr.6.4bn. (6.43bn.) for the year and recorded an 11.5 per cent. rise in premium income

Ogem sees profits recovery

BY MICHAEL VAN OS AMSTERDAM, May 10.

OGEM expects an improvement in profits this year after having seen its 1975 net profits almost halved to nearly Fls.15.2m. It blames the international recession which hit its extensive trading activities very hard.

The Rotterdam-based company recorded increased sales of Fls.2.98bn. (Fls.2.33bn.). The operating profit fell to Fls.46.4m. (Fls.68.9m.), and the pre-tax profit to Fls.23.3m. (Fls.40.3m.). It is proposed to cut the dividend to Fls.1.70 per share after Fls.2.30 the previous year.

The company has substantially raised the pay-out ratio to 63.3 per cent. from 40.9 per cent. of earnings which, says the annual report is considered acceptable in view of improved business prospects for the present year.

OGEM said that its building division (1975 turnover Fls.495m.) recorded a "good" result, but the industry sector (Fls.176m. turnover) and installations (Fls.426m.) showed losses. The important trading division (Fls 1.8bn.), which is being reorganised, saw its profit very substantially reduced though here again an upturn is anticipated with the cyclical recovery now under way.

As reported earlier, OGEM is to merge its building activities with those of the failed large building company Nederhorst, for which State aid is forthcoming.

● Daf Trucks suffered a net loss of Fls.35.7m. in 1975 which is nearly treble the loss of the preceding year (Fls.12.5m.). Despite the current business improvement after the big slump in the lorry market and despite the current reorganisation, another though "substantially reduced" loss is expected for this year. The report adds that the company is cautiously optimistic for the future in view of the increased benefits to accrue from the "intensified co-operation" with International Harvester. This U.S. company has a one-third interest in Daf Trucks. Sales showed an increase of 13.3 per cent. to reach Fls.856.3m.

Japan buying into Brazilian ship repairing

TOKYO, May 10.

ISHIKAWAJIMA-Harima Heavy Industries (IHI) said it and its Brazilian shipbuilding subsidiary, Ishibras, will invest in Brazil's State-controlled ship repair firm, Empress Brasileira de Reparos Navais (Renave).

IHI and Ishibras will acquire a 16.3 per cent. stake each in the Brazilian ship repair firm when its capital is increased to $50m. from the present $30m. to finance the building of a 300,000 d.w.-ton repair dock in Brazil, IHI said. Reuter

Paris Bourse recommends better accounting methods

PARIS, May 10.

THE PARIS Bourse Commission (COB) said it recommends better accounting procedures to give clearer information to shareholders, especially about a company's year-to-year change in results and its real business situation.

It said in its 1975 annual report that too many companies take liberties with accounting rules, and it is studying ways to incorporate inflation accounting into annual results.

Companies should also publish their own results instead of waiting for publication in the official bulletin, it added. Reuter

Substantial gains by Casio

TOKYO, May 10.

The Casio Computer Company s announced after tax profits Y2.1bn. for year to March 20 1.6bn. in previous year). Gross es were Y53.3bn. (Y44.9bn.). the dividend is Y12.50 me).

he managing director Ryoichi ama, told a Press conference increased sales of electronic k-top calculators and sales of vly marketed electronic-con- lled digital wrist watches were major contributors to the 18.9 per cent. sales boost in the past year.

Soyama said Casio sold 10.3m. calculators, a sharp rise from the 5.5m. sets sold in the previous year.

Besides the increased sales, a 25 per cent. decline in material and fixed costs per unit (due to sharply increased production and reduced interest burdens) helped the company report a 27.6 per cent. gain in net profit.

The managing director added that Casio expects gross sales in the current year to March 20, 1977 to rise a further Y65bn with 15m. calculators and 1.2m. digital watches being sold.

As a result, after-tax profits in the current business year should be Y2.6bn., up 29 per cent. over the level a year ago, Soyama said.

He said Casio will declare a dividend rate of 25 per cent.

New York State returns to the bond market

BY STEWART FLEMING NEW YORK, May 10.

AFTER FAILING early in April to interest the general public in a token offering, New York State successfully returned to the public bond market to-day but only at a high price relative to roughly comparable municipal issues and with the support of the banking syndicate managing the issue.

The State was offering $59m. of loan stocks maturing at various dates between 1977 and 2001. The only bid for the issues came from the Chase Manhattan bank syndicate which managed the issue and even its offer put an average yield of 7.3 per cent. on the bond package, rated 'single A' by Moody's and 'Double A' by Standard and Poors. Dealers pointed out that the State of Vermont recently had to pay a yield of only 6 per cent. on its issue.

One dealer remarked that the apathetic response by the public investor to the issue indicated that "nobody was welcoming the State back into the market," but he pointed out that a month ago the State could not even have got such an issue off the ground so that at least with the offering being sold it was an indication that the State had made some progress in rebuilding confidence. He added, however, that there was still a long way to go and that the State would have to go slowly in making further issues.

He pointed out, too, that conditions in the bond market were not especially favourable at present because of the recent uncertainty about interest rates and the general decline in prices. Commenting on the issue, Mr. Arthur Levitt, the State Financial Controller, remarked that he was disappointed with the rate but gratified that the State had re-entered the bond markets.

HE EUROPEAN STEEL INDUSTRY

On the brink of recovery

BY DAVID CURRY IN BRUSSELS

EL LOOKS to be settling into familiar four-year cycle. As worst of the recession passes, prices begin to edge away their loss-inducing floors hed around the autumn of year, the longer-term prob- are beginning to loom e: in particular whether steel maintain sufficient profit- ty to guarantee its invest- ts.

markably, the recession has little fall-out in structural s. With the Hoesch- govens and Thyssen-Rhein- mergers predating the s, the most obvious product e recession is the formation northern European private rprise steel cartel geared rds north Germany. Even has its antecedents deep in earlier cartelisation of the nan market. The French stry is receiving some 3bn. in State support, while British Steel Corporation pro- for a £70m. steel stockpile ts the search for ways to out the cycles in the stry.

e present year is showing same rhythm of recovery as after the disaster of 1971. boom year of 1974 was fore- owed by 1970, and it is nning to look as if the next y good year for steel will 977-78, peaking in 1978.

e current outlook is stly encouraging. In March s for rolled products in the nal EEC member states ed 8m. tonnes, some 1.4m. s better than a year ago. compares with 8.4m. tonnes ded in March 1973, and 9.3m. s reached in the record h for EEC producers, h 1974.

rch 1975 was the first h since October 1974 in h Community producers showed an increase on the same month of the year earlier. The last month in which the U.S. showed a similar upturn was January 1974. While one month's figures do not change the gospel, it is nonetheless a challenge to the accepted wisdom that in this sector the U.S. invariably leads the recovery. So far this year the pace of EEC recovery is faster than anticipated.

However, this figure must be treated with caution. The increase for the Nine was only 0.6 per cent. up on March 1975, at 11.89m. tonnes against 11.81m. tonnes, and this increase itself was thanks to an 11.7 per cent. recovery in France, which is beginning to look like the pace-setter, a 6.5 per cent. German improvement, and a 27.5 per cent. rise in Denmark's relatively modest output.

Over the quarter the EEC was still nearly 10 per cent. down, at 32.8m. against 36.3m. tonnes, with Germany, France, Italy, the U.K. and Luxembourg all between 7.5 and 10 per cent. down, Belgium still more than 18 per cent. off, and Holland some 12.4 per cent. to the worse.

Prices are providing restrained cheer. In the first quarter there were signs that the special reductions admitted last year were being dispensed with and the present indications are that base prices are moving upwards, at least for deliveries in the third quarter. This pattern is far from evenly spread, with the strongest turn being seen in West Germany.

Some European manufacturers are worried about recession-induced changes in the world trading picture, to Europe's disadvantage. It is argued that with the U.S. becoming a net importer, Japan and Europe are the two big competitors on world markets. The recession hit Europe harder than Japan, while throughout 1975 cut-price Japanese steel imports helped to drive European prices lower and lower into unprofitability. During this time raw material cost increases—around 40 per cent. for coking coal and 50 per cent. for ore in Benelux, for example—were adding heavily to European burdens.

Long-term shifts are not yet visible, but the Japanese have certainly moved into markets where the EEC had a useful share, notably South-East Asia and Latin America, because of cheaper prices. However, it must be remembered that the EEC did succeed in negotiating an orderly marketing arrangement with the Japanese as part of the attempt to damp down cheap imports and defuse the pressure for protection from EEC industry, and this understanding is still in force. Spanish and East European producers in many ways were more difficult to deal with than the Japanese.

When it comes to structural changes, the major question mark surrounds the formation of the steel cartel composed of the North German Arbed of Luxembourg, which has brought its Flemish subsidiary Sidmar in with it, and the Dutch industry. The official communiqués have emphasised generally the desire to have a stronger voice in Brussels and tot tackle the problems of raw material and energy supplies.

Brussels is alarmed on two grounds. Politically it does not want to see the European market divided structurally three ways between the German-orientated sector, the French - Walloon companies, and hte nationalised British and Italian industries. It is also worried on competition grounds, arguing that if the new grouping does not pave the way to industrial rationalisation across Northern Europe it hardly makes sense at all.

At the moment it looks as if two basic groups will emerge. A North group will embrace Klockner-Werke, Salzgitter, Maximilianshuette, and Krupp; a South group will take in the Saar producers and Arbed; while Thyssen-Rheinstahl and Estel (the Hoesch-Hoogovens company) will form separate entities on their own. It is doubted whether in practice there will be significant industrial rationalisation within the groups.

It is the investment outlook which concerns the Coal and Steel Community in Brussels. It forecasts a slower growth in steel consumption up to 1980 and a further weakening after that, with exports declining as Third World steel capacity comes on stream. It is alarmed that steel companies may be forced into too heavy reliance on credit because they lack their own resources and that their indebtedness will hold back investment.

The EEC has pledged itself to step up its financing of the steel industry. Since its inception the coal and steel Community has lent some 3.478m. units of account to the two sectors and the pace of its borrowing has increased rapidly. At the end of last month it made its eight public issue in the U.S. for $175m. The ECSC reckons that its lending to the coal and steel sectors have met about 20 per cent. of their investment requirements for modernisation and replacement.

In the perspective of persistent long-term uncertainty it is small wonder that even with better things ahead over the next couple of years, the annual reports of Europe's steel companies which have been thudding ominously on investors' mats over the past weeks are showing no difficulty in keeping optimism under strict control.

SELECTED EURODOLLAR BOND PRICES
MID-DAY INDICATIONS

STRAIGHTS	Bid	Offer
Aquitaine 10pc 1985	104	105
Ashland 8pc 1987	95½	96½
Austraswiss 8pc 1987	94½	95½
BFCE 8½pc 1983	99½	100½
CNE 9½pc 1985	101½	102½
Conoco 8pc 1985	100½	101½
ECS 9½pc 1986	100½	101½
EIB 9½pc 1985	102½	103½
ERAP 8½pc 1985	102	103
Esso 8pc 1986 Nov.	101	102
Eurofima 8½pc 1983	99½	100½
Granges 9½pc 1985	101	102
Massey 9½pc 1982	104	105
Michelin 9½pc 1986	100½	101½
Modo 9½pc 1983	100½	101½
Newfoundld Labradr 9¾ '86	104	105
New Zealand 9½pc 1982	102½	103½
Norpipe 9½pc 1988	100	100½
Norsk Hydro 9½pc 1988	102	103
Oslo 9pc 1988	100	101
Pacific Light 8pc 1988	95½	96½
Prov. Quebec 9pc 1984	100½	101½
Scanraff 8½pc 1988	100	101
SCPE 9pc 1983	100½	101½
Shell 8pc 1986	101	102
Standard Oil (Ind) 8½pc '88	103	104
Svenska Handels 9½pc 1986	100	101
Volvo 9½pc 1985	102½	103½
NOTES		
Barclays 8½pc 1982	101½	102½
British Gas 9pc 1981	101	102
Charbonnages France 8¾ '81	99	100
Denmark Mort. Bk. 9pc '83	99½	100½
ECS 8½pc 1981	101	102
EEC 8½pc 1983	97½	98
Electricity Council 8¾pc '81	98½	99½
Montreal 9½pc 1983	102	103
Nippon Steel 9½pc 1980	103	104
Norway 8½pc 1981	102	103
Prov. Quebec 9½pc 1981	100½	101½
Seagram 9pc 1982	103	103½

Source: White Weld Securities.

CONVERTIBLES	Bid	Offer
American Express 4¼pc '87	81½	83½
Ashland 5pc 1988	88½	89½
Beatrice Foods 4¼pc 1992	94	96
Beatrice Foods 4⅞pc 1992	104	106
Borden 5pc 1992	97½	99½
Broadway Hale 4½pc 1987	78½	80½
Canon Camera 7½pc 1989	141	143
Carnation 4pc 1987	79½	81½
Chevron 5pc 1988	115½	117½
Dart 4½pc 1987	82	83
Eastman Kodak 4½pc 1988	115	117
Economic Labs. 4½pc 1987	81	83
Fed. Dept. Stores 4½pc '85	127	129
Firestone 5pc 1989	89	91
Ford 6pc 1986	100	102
Ford 5pc 1988	88½	90½
General Electric 4¼pc 1987	88½	89½
Gillette 4⅜pc 1987	80	82
Gould 5pc 1987	86½	88½
Gulf and Western 5pc 1988	92½	94½
Harris 5pc 1992	81½	83½
Honeywell 6pc 1986	83	85
ITT 4½pc 1987	78½	80½
Komatsu 7½pc 1990	105½	107
J Ray McDermott 4¾pc '87	128	130
Mitsubishi Elec 7½pc 1991	105	106½
Mitsui 7½pc 1990	101½	103
J P Morgan 4¾pc 1987	116½	118½
Nabisco 5½pc 1988	91½	93½
Owens Illinois 4½pc 1987	104½	106½
J. C. Penney 4½pc 1987	83½	85½
Pioneer 6pc 1989	200	202
Revlon 4⅜pc 1987	100	102
Reynolds Metals 5pc 1988	87	89
Sperry Rand 4¼pc 1987	98½	100½
Squibb 4½pc 1987	79½	81½
Texaco 4½pc 1988	80	82
Toshiba 6½pc 1989	103	106½
Union Carbide 4½pc 1982	123	125
Warner Lambert 4½pc 1987	90	92
Warner Lambert 4⅞pc 1988	83½	85½
Xerox 5pc 1988	78½	79½

Source: Kidder, Peabody Securities.

WALL STREET + OVERSEAS MARKETS + FOREIGN EXCHANGES

Up 11 to 1,007 on spillover demand

BY OUR WALL STREET CORRESPONDENT

NEW YORK, May 10.

SPILLOVER DEMAND on Wall Street to-day sent the Dow Jones Industrial Average through the 1,000 level once again, in the busiest session in almost three weeks.

The Dow Jones Industrial Average moved ahead 11.26 to 1,007.48 and the NYSE All Common Index gained a further 64 cents to $54.90, while rises led falls by a more than two-to-one majority. Trading volume sharply expanded by 4.95m. shares to 22.76m.

Analysts said there was little in the news to account for the gain, which was assisted by the Business Council's agreement that the economic recovery is strong and should continue through next year.

Investors were also encouraged because the market took in its stride news of a gain in the Wholesale Price Index and some indications that the Federal Reserve was again tightening credit policy.

Computers, Chemicals and Steels were among the biggest favourites, although certain issues with bullish Corporate news also attracted considerable attention.

Motors also were up, while Oils were mixed.

Heavily traded Pargas changed at $18½ xd, against the previous close of $16¼—it filed suit against Empire Gas, off $½ to $14¾, to block a tender offer for Pargas shares.

Getty Oil jumped $3¼ to $166½ and Superior Oil moved ahead $5 to $155.

St. Joe Minerals picked up $1¼ to $46½ on a raised dividend.

IBM jumped $7¼ to $258½, Digital Equipment $4¼ to $173, and Burroughs $2¼ to $102¾ on optimism about the outlook for the Computer Industry.

Fairchild Camera rose another $2¾ to $44¾—it expects 1976 sales to top the previous record of $384.9m. in 1974.

Heavily traded Fansteel held unchanged at $17¾—it filed a suit to head off H. K. Porter's tender offer for Fansteel's Common stock.

The American SE Market Value Index gained 0.84 to 103.75, while advances led declines by 406 to 294.

MONDAY'S ACTIVE STOCKS

	Stocks traded	Closing price	Change on day
Occidental Petrolm.	371,500	16⅝	+1⅛
Pargas	242,700	18½	+2¼
Cent. Sou. West	241,700	15½	+⅛
Allis Chalmers	193,100	29½	+1⅛
General Motors	187,400	71⅛	+½
Fansteel	185,000	15⅞	—½
Holiday Inns	183,500	14½	+⅛
Gulf W. Ind.	168,100	24⅞	+1¼
Texaco	163,800	27⅞	+⅛
Gen. Tel. El.	162,700	26⅛	+½

OTHER MARKETS

Canada higher

Canadian Stock Markets continued to improve in active trading yesterday. Fueled by further indications of higher oil and gas prices.

The Industrial Share Index rose 1.52 to 193.44, Golds 1.65 to 293.68, Western Oils 6.82 to 238.85, Utilities 0.38 to 143.05 and Papers 0.74 to 126.96. But Banks lost 0.63 to 245.43 and Base Metals eased 0.04 to 90.12.

Canadian Superior Oil advanced $2¾ to $46¾ on improved first-quarter earnings, while Dome Petroleum moved up $1¼ to $40½ and Pacific Petroleums rose $¾ to $31¼.

PARIS — French shares continued to decline, with brokers noting a further rise in the call money rate to 7¾ per cent.

All sectors were lower with the exception of Stores, which showed some improvement, notably in SCOA.

Internationals were generally mixed, although Americans were steady to higher. Dutch shares rose, while Germans and Coppers were mixed.

Gold Mines were mostly firm.

BRUSSELS—Mixed to higher after active trading.

Steels finished irregular. Arbed were down Frs.80 to 4,100, but Hainaut-Sambre rose Frs.25 to 2,225. Small gains predominated among Non-ferrous Metals, Electricals and Utilities were narrowly irregular. Chemicals registered modest gains, while Oils were lower.

Among Internationals, U.S. shares advanced. Dutch issues firmed, Germans also were higher, while French sector was mixed. South African Gold Mines firmed.

AMSTERDAM — Firm in quiet trading.

Dutch Internationals were uniformly higher, with Philips in particular demand ahead of its first-quarter figures.

Hoogovens continued to benefit from its statement that a dividend may be paid this year.

Elsewhere, Banks, Insurances and Transportations were firmer.

State Loans were little changed.

SWITZERLAND—Irregular in selectively active turnover.

Banks fluctuated narrowly, while Financials and Insurances were irregular. Small losses predominated in leading Industrials.

In the Foreign sector, Dollar stocks posted minor gains in a moderate turnover, with interest centred on Blue Chips and "Glamour" stocks. Dutch Internationals and Germans firmed in livelier trading.

GERMANY—Firmer on some major Institutional purchasing. But trading, generally, remained thin.

Leading Banks, Chemicals and Electricals put on DM1 to DM2, whilst Engineerings were mixed, Demag and Mannesmann gained DM1 and DM2 respectively, but Linde dropped DM2 and Man shed DM1.

VW firmed DM0.5 on its return to profit in first quarter 1976 and expectations of a sharp reduction this year in carried-forward losses.

Public Loans shed up to DM0.60, with the Regulating Banks buying DM21.5m. nominal of stock. Foreign Mark Loans continued weaker.

OSLO—Bankings, Industrials and Shippings were barely steady, while Insurances were quiet.

COPENHAGEN—Higher in fair dealings.

MILAN—Irregularly higher but with trading subdued on end-Account factors.

Bonds moved within narrow limits in quieter trading.

VIENNA—Easier tendency.

TOKYO—Steadier in quiet trading. Volume 180m. shares.

Medium-size Constructions advanced following the report that housing starts rose in February, but Real Estates were lower.

Rubbers were higher. Toyo Rubber added Y18 at 185, and Yokohama Rubber Y7 at 232.

Motors lost early gains on lower new car registrations in Japan in April.

Among Light Electricals, Pioneer dropped Y70 to 3,240, despite an earnings gain.

Hoya Glass lost Y29 to 791, although a Brokerage House predicted doubled earnings for the year ending September.

Mitsubishi Heavy Industries held unchanged at Y132, although it is reducing its Aircraft Division work force.

Chugai Pharmaceutical were lifted Y34 to 673, Tokio Marine and Fire Y26 to 567, Q.P. Y24 to 784, and Matsushita Seiko Y22 to 933.

HONG KONG—Mixed in very light trading.

Hong Kong Bank were down 20 cents to $HK19.90, Jardine 20 cents to 22.30, Hong Kong Electric 2½ cents to 2.15 and China Light 10 cents to 22.10.

Hutchison were up 2½ cents to 3.00 and Swire Pacific "A" 5 cents to 9.30.

JOHANNESBURG—Gold shares were firmer on local and London interest. "Heavyweights" gained up to R1.25, while "marginal" and "speculative" issues rose up to 42 cents. Financial minings followed Producers up.

Coppers hardened with Messina gaining 13 cents to R4.08. Platinums were marginally lower, while other Metals were better. Industrials were a shade firmer.

AUSTRALIA — Coals and selected Industrials were firm but Base Metals were easier in quiet trading.

BHP rose 10 cents to $A7.52, while Bank of NSW put on 4 cents to $A6.10 ahead of its interim profit announcement expected this week.

Among Base Metals, North Broken Hill shed 2 cents to $A1.70 but Kathleen Investments put on 3 cents to $A1.28.

Some Mines reflected changes in the support price outlined by the International Tin Council over the week-end. Renison put on 10 cents to $A5.30 and Aberfoyle 3 cents to 65 cents.

CRA improved 8 cents to $A3.10 and Pancontinental 10 cents to $A10.80.

Among Coals AAR were up 2 cents to $A1.07 and CNA 5 cents to $A2.30. Bellambi jumped 18 cents to $A2.80 and Coal and Allied rose 5 cents to $A2.50.

Engineerings and Electricals improved, while Brewers and Retailers were slightly firmer.

In Oils, Ampol Exploration advanced 8 cents to 90 cents.

Indices

NEW YORK—DOW JONES

	May 10	May 7	May 6	May 5	May 4	May 3	1976 High	1976 Low	Since compilat'n High	Since compilat'n Low
Industrials	1007.48	996.22	989.53	986.46	995.70	990.52	1,011.02 (21/4)	858.71 (2/1)	1051.70 (11/1/73)	41.22 (8/7/32)
Home Bonds	72.67	72.78	72.86	72.82	72.74	72.88	76.60 (22/4)	68.11 (2/1)	—	—
Transport	219.58	214.15	212.41	211.65	212.82	219.45	219.58 (10/5)	175.69 (2/1)	279.88 (7/2/69)	13.23 (8/7/32)
Utilities	87.53	87.87	87.85	87.42	87.58	87.62	91.90 (4/2)	84.84 (2/1)	163.32 (20/4/65)	10.58 (28/4/42)
Tr'ding vol. 000's	22,760	17,810	16,200	14,970	17,240	15,190	—	—	—	—

	May 7	April 30	April 23	Year ago (approx.)
Ind. div. yield %	3.72	3.70	3.69	4.64

STANDARD AND POORS

	May 10	May 7	May 6	May 5	May 4	May 3	1976 High	1976 Low	Since compilat'n High	Since compilat'n Low
*Industrials	115.97	114.66	113.72	113.40	114.11	113.45	118.57 (24/5)	101.64 (2/1)	134.64 (11/1/73)	3.52 (30/6/32)
†Composite	103.10	101.88	101.16	100.88	101.46	100.92	103.51 (5/4)	90.90 (2/1)	120.24 (11/1/73)	4.40 (1/6/32)

	May 5	April 28	April 22	Year ago (approx.)
Ind. div. yield %	3.44	3.33	3.28	3.76
Ind. P/E Ratio	13.68	13.83	14.00	10.35
Long Govt. Bond yield	5.60	5.56	5.49	6.14

N.Y. S.E. ALL COMMON

May 10	May 7	May 6	May 5	1976 High	1976 Low
54.90	54.26	53.86	53.76	55.20 (6/4/76)	57.06 (2/1/75)

Rises and Falls May 10: Issues Traded—1,881; Up—1,050; Down—446; Same—385; New Highs—104; New Lows—11

MONTREAL

		May 10	May 7	May 6
MONTREAL	Industrial	204.28	203.56	202.42
	Combined	196.80	196.84	195.46
TORONTO	Industrial	196.44	192.92	192.52
JOHANNESBURG	Gold	205.7	199.4	196.3
	Industrials	212.9	211.7	210.8

	May 10	Previous	1976 High	1976 Low
Australia (a)	465.40	462.04	472.91 (12/5)	445.52 (5/1)
Belgium (b)	101.55	101.64	115.18 (5/2)	101.55 (10/5)
Denmark (d)	104.62	104.32	107.79 (27/1)	100.20 (10/5)
France (e)	65.4	65.7	74.3 (5/5)	65.4 (10/5)
Germany (f)	757.1	753.5	821.7 (17/3)	753.0 (4/5)
Holland (g)	96.0	95.4	105.3 (5/2)	96.4 (7/5)
Hongkong (h)	416.19	413.12	465.33 (17/3)	304.53 (2/1)
Italy (i)	77.34	77.33	91.57 (25/2)	72.20 (4/5)
Japan (m)	341.99	341.74	344.51 (24/5)	326.2 (6/1)
Singapore (n)	257.85	253.25	286.16 (5/2)	256.35 (2/1)

OVERSEAS SHARE INFORMATION

Investment premium based on $2.60 per £—122½% (123¼%)

NEW YORK

Stock	May 10	May 7
Addressograph	9½	8¾
Corning Glass	75⅝	74⅞
CPC Int'nation'l	45⅝	45⅝
Crane	66⅝	65⅝
Crocker Nat.	23⅛	23¼
Johns Manville	29⅞	29¼
Johnson Johnson	88½	87¾
Johnson Control	20¾	20¾
JoyManufactur'g	43½	43⅝
Reading	1½	1½
Republic Steel	35½	34½
Revlon	75¼	75¾
Reynolds Metals	37¾	47½

CANADA

GERMANY ♦

May 10	Prices Dm.	+ or —	Div. %	Yld. %
A.E.G.	93.5	+1.5	—	—
Allianz Versich.	390	—7	17	2.2
B.M.W.	240.5	—2.5	14	2.9
BASF	159.5	+1.5	14	4.4
Bayer	139.2	+1.4	17	5.7
Bayer Hypo.	282		20	3.6
Bayer Vereinsbk.	282.5	+1.5	20	3.0
Commerzbank	197.5	+1.5	18	4.6
Conti. Gummi	96.5	—0.5	—	—
Daimler	340.5	+1.0	16	2.2

MILAN

PARIS

SWITZERLAND ♦

AMSTERDAM

BRUSSELS/LUXEMBOURG

COPENHAGEN

VIENNA

AUSTRALIA

TOKYO

STOCKHOLM

OSLO

JOHANNESBURG

SPAIN ▼

£ and lira firm

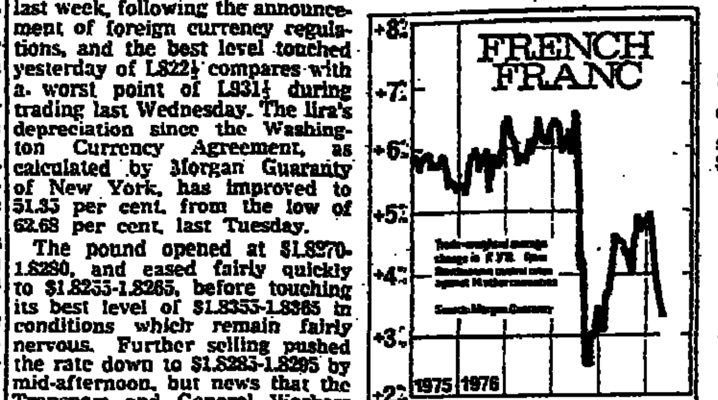
Sterling and the Italian lira improved in the foreign exchange market yesterday, but both currencies tended to ease from the best levels recorded during the day. The pound finished at $1.8305-1.8315 against the U.S. dollar, a gain of ¾ cent on the day, and the lira closed at L833¼ in terms of the dollar, compared with L857¾ on Friday. The lira's improvement began at the end of last week, following the announcement of foreign currency regulations, and the best level touched yesterday of L822½ compares with a worst point of L931½ during trading last Wednesday. The lira's depreciation since the Washington Currency Agreement, as calculated by Morgan Guaranty of New York, has improved to 51.35 per cent. from the low of 62.68 per cent. last Tuesday.

The pound opened at $1.8270-1.8280, and eased fairly quickly to $1.8255-1.8265, before touching its best level of $1.8355-1.8365 in conditions which remain fairly nervous. Further selling pushed the rate down to $1.8285-1.8295 by mid-afternoon, but news that the Transport and General Workers Union executive had voted in favour of the Government-TUC pay deal, helped sterling improve to $1.8320-1.8330, though it eased slightly towards the close.

Sterling's trade-weighted average depreciation since the Washington Agreement, as calculated by the Bank of England, narrowed to 37.5 per cent. from 37.7 per cent., after standing at 37.4 per cent. at noon and 37.7 per cent. in early dealings.

The U.S. dollar was firmer against major European currencies, with the exception of the pound and the lira, improving against the Swiss franc, German mark, French franc, and Dutch guilder. Its depreciation, on the Morgan Guaranty basis, widened however to 2.19 per cent. from 1.96 per cent.

Gold closed $¼ higher at $128-128⅜. The krugerrand's premium over its gold content narrowed at 2.82 per cent. in the domestic market, but widened to 3.21 per cent. for international delivery.



SPECIAL DRAWING RIGHTS RATES

One SDR is equal to	May 10	May 7
Sterling	0.629548	0.631671
U.S. dollar	1.15352	1.15167
Belgian franc	44.8546	44.7193
Deutsche mark	2.93455	2.92098
French franc	5.40020	5.38377
Italian lira	961.978	998.268
Japanese yen	344.326	343.543
Dutch guilder	3.10528	3.09569
Swedish krone	5.05126	5.03994
Swiss franc	2.88951	2.85844

Values are for currencies against the SDR as calculated by the International Monetary Fund in Washington.

EXCHANGE CROSS-RATES

May 10	Frankfurt	New York	Paris	Brussels	London	A'sterdam	Zurich
Frankfurt	—	2.542-543	54.31-35	6.53-54	4.660-666	94.48-52	102.28-38
N. York	39.31-33	—	21.39-41	2.5725-50	1.8305-8315	37.15-17	40.35-37
Paris	183.85-95	4.6765-6865	—	13.025-055	8.570-596	173.9-74.3	188.025-425
Brussels	15.27-31	38.86-89	3.28-32	—	71.15-29	14.43-46	15.61-65
London	4.654-66	1.8305-15	8.564-567	71.10-30	—	4.924-934	4.644-664
Am'rd'm	105.825-875	2.6907-32	57.50-66	6.9215-65	4.9346-95	—	108.275-325
Zurich	97.68-76	2.4835-45	53.10-16	6.394-40	4.547-561	92.30-38	—

U.S. $ in Montreal. U.S. $ = 97.28-90 Canadian cents. Canadian $ in New York. C$ = 102.15-15 U.S. cents.

EURO-CURRENCY INTEREST RATES

GOLD MARKET

FOREIGN EXCHANGES

OTHER MARKETS

FORWARD RATES

FARMING AND RAW MATERIALS

Optimism on Australian wool delays

MELBOURNE, May 10.

Australian farmers shoot 1,000 cattle

MELBOURNE, May 10.

U.S. COTTON EXPORTS LAG

NEW YORK, May 10.

London tin values fall on profit-taking sales

BY JOHN EDWARDS, COMMODITIES EDITOR

TIN PRICES fell on the London Metal Exchanges *yesterday after* the three months quotation had traded at an all-time peak of £4,300 a tonne.

By the close, the three months figure had gone down to £4,197.5 a tonne while cash tin declined to £4,085, £50 down on Friday's close.

The downturn came, despite a big rise in the Penang market over the weekend of over SM49, to SM1,175 a picul. This is only SM25 below the new International Tin Agreement "ceiling" of SM1,200 a picul, finally agreed at the Tin Council meeting that ended last Friday.

Yesterday's decline in London prices, after the strong opening, was attributed to profit-taking sales after the recent upsurge. The rise of 2,095 tonnes in tin stocks held in LME warehouses, raising the total holdings to *9,000 tonnes, was not thought to* be a market influence since it mainly represented transfers from the buffer stock as a result of sales in recent weeks.

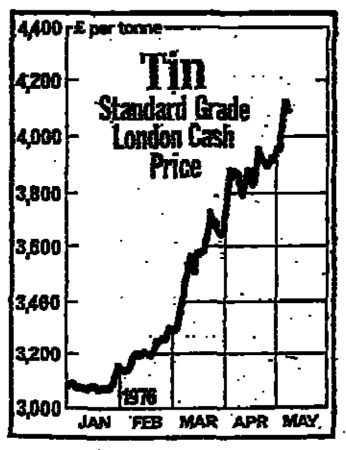
The decline in London should take pressure off the Straits price in Malaysia, especially if the buffer stock decides to defend the new "ceiling" by selling further surplus holdings. But considerable confusion remains in the tin market, especially over the attitude of Bolivia towards ratifying the proposed new Tin Agreement.

It was claimed in London yesterday that the Bolivian protest, reported at the UNCTAD meeting in Nairobi, over the transfer of the buffer stock from the fourth to the fifth Agreement had been cleared up at last week's Tin Council meeting.

There is no question, apparently, of surplus metal being dumped on the market when buffer stock holdings are transferred from one Agreement to another.

Should it be decided that contributions *to the new buffer* stock can be made in actual tin, or its equivalent, this might leave the door open for the U.S. to contribute tin from its strategic stockpile, rather than having to ask Congress for a voluntary contribution which would almost certainly be turned down.

If the U.S. did contribute in this way, certain producer countries *who are pressing hard for* compulsory contributions by consumers to the buffer stock *would presumably be happier* about the new pact.



Hugh O'Shaughnessy writes: China has given undertakings to Bolivia that it will reduce its international sales of tin this *year to levels below those of* last year.

This was stated by Sr. Carlos Iturralde, the Bolivian delegate to the International Tin Council, just before he left London for La Paz.

It appears that China and Bolivia feel they both have a certain identity of interest in the international market as major exporters of tin, antimony and tungsten, and sellers of smaller quantities of bismuth.

At the same time, China is keen to project an image as the ally of Third World exporters of raw materials and to counter the substantial Soviet presence in Bolivia.

The Soviet Union has emerged in the past as a big buyer of Bolivian tin and has helped Bolivia with its plans to process its metallic ores.

Bolivian sources have, at the same time, warned that the country will be unwilling to ratify the Agreement concluded last week if further progress is not made towards strengthening the buffer stock, particularly through bigger financial pledges by consumer countries.

Participants in the Agreement are obliged to ratify the document by the end of next month, or to be seen to be taking steps to ratify it.

Drought fears lift sugar

BY RICHARD MOONEY

CONCERN OVER the effects of continuing dry weather on the European beet crop helped to push world sugar values to new eight-month peaks yesterday. Traders said the renewed upsurge was also influenced by the New York market's firmness on Friday night.

On the London terminal market, futures positions opened £3.85 to £5.10 *a ton above* pre-week-end levels before easing a little during the morning.

Futures values continued to decline in the afternoon, and by the close the October position was only £1.175 up on balance, at £205.175 a ton, after reaching £210.5 at one stage.

The gradual fall in prices was seen as a reaction to what many dealers felt was an excessive initial rise. They pointed out that, while current weather trends were worrying, it was far too early to talk of a shortage. Some traders are surprised that prices have even risen above £200 a ton.

Some market quarters have noted that sporadic disaster rumours emanating from members of the Geplacea grouping—which includes Latin America and Caribbean sugar producers, with the Philippines as an associate member—have played a significant part in maintaining the recent upward trend. Some dealers have also noted that members of this group have been reluctant to sell sugar at current prices.

In Bogota, the Colombian Government announced that it had authorised the resumption of sugar exports.

New peak in copper stocks

Copper stocks in London Metal Exchange warehouses yesterday rose by 1,609 tonnes, to a new record total of 538,075. The increase, was in line with market expectations, however, and had little impact on values.

After rising sharply in early dealings, prices fell back on profit-taking sales. Copper cash wirebars closed £4 a tonne, up on balance, at £855.5.

Lead prices rose initially, on reports that Japan might require emergency imports as a result of *the strike by metal workers there.* But as in copper, prices declined later on profit-taking.

Lead stocks fell, as expected, by 6,300 tonnes, reducing total holdings to 77,175. Zinc stocks rose by 400 tonnes, to 56,350, while LME silver holdings also increased

Downturn in cocoa market

By Our Commodities Staff

AFTER TESTING still higher record levels in early dealings, cocoa prices turned sharply *downwards on the London* terminal market yesterday. The July position moved up the £20 permissible limit soon after the opening and gained further ground after trading *restarted to reach* £1,133 a tonne during the morning.

But then a wave of profit taking coupled with aggressive trade selling from a single source changed the complexion of the market completely and by the close July cocoa was down to £1,076 a tonne, £28.25 lower on the day.

Dealers said the move came despite reports that a major European manufacturer had been a buyer during the past few days — a factor which would, in recent weeks, have been considered sufficient to justify sizeable gains. But the determined selling seen yes*terday has led many traders* to conclude that the peak of the market has already been reached.

New estimate of U.S. winter wheat crop

CHICAGO, May 10

PRIVATE CROP forecaster Conrad Leslie has estimated the 1976 U.S. winter wheat crop at 1,513m. bushels, 17m. bushels more than the U.S. Department of Agriculture's December forecast. The actual winter wheat harvest last year totalled 1,651m bushels.

Last month the USDA issued a special survey of the five southwest drought states of Kansas, Colorado, New Mexico, Oklahoma and *Texas. It* put production at 521.7m. bushels in these states. Leslie raised this to 531.3m. in his survey and said improvements were indicated for Kansas and Texas, but a decline was *reported* from Colorado.

Reuter

JAPAN/VENEZUELA ALUMINIUM DEAL

TOKYO, May 10.

Nippon Light Metal has sold about 4,000 tonnes of refined aluminium to Venezuela, say industry sources.

Nippon, Japan's biggest aluminium producer, declined to confirm or deny the deal, but the sources said it will be shipped later this year.

The export price in the deal was expected to be around $820 a tonne, they said.

Reuter

BRAZIL SEMINAR

Why coffee workers drink barley

BY SUE BRANFORD, SAO PAULO CORRESPONDENT

A GRIM WARNING of the serious long-term effects on demand of the present high coffee prices was made by Mr. Robert Muggli, director of the *Swiss Nestle company,* at the fifth seminar on coffee trade in Guaruja, Brazil.

"Within reasonably wide margins, demand for coffee is very little influenced by price movements," he said. "But present prices are definitely beyond this level. There is no doubt that countries like Italy, France and the U.K. to cite just a few important customers can hardly continue consuming coffee at the same rate as *before.*

"Even the possibility of import restrictions being imposed cannot be entirely ruled out. To-day's coffee prices, if they last long, could well help to dis*locate coffee as a beverage,* in favour of other more attractively priced hot drinks."

Similar opinions were put forward at the Guaruja talks by representatives of other multinational food companies.

Many Brazilians here feel that the tone adopted by the multinationals is alarmist. "Coffee is still a fairly cheap beverage in the U.S." remarked Sr. Cesar Gomes, head of the New York bureau run by the Brazilian Coffee Institute (IBC). "Much of the present talk about its high price level is exaggerated," he said.

The president of IBC, Sr. Camilo Calazans, stressed Brazil's high degree of responsibility: "We are selling coffee, not securities on the stock market; and we want to avoid wild price fluctuations."

Nevertheless, he firmly emphasised that Brazil wanted good prices. "Above all, we want a market where prices compensate for all our efforts and for the heavy investments that we are making in coffee farming."

Sr. Calazans assured international buyers at the seminar that Brazil would honour its commitments. Traditional buyers of Brazilian coffee, who were loyal to it in the past, deserve to be rewarded with the assurance that they would go on regularly receiving Brazilian coffee now, during this emergency.

His guarantee is perhaps somewhat optimistic. Reliable IBC sources say that, at the moment —just before the 1976-77 harvest begins—Brazil possesses about 25m. 60-kilo bags, about half of which are in the hands of the *IBC.*

A leading IBC official confided, however, that only 4m. to 5m. bags were known to be of good export quality. Some of the rest had deteriorated while *in storage for several years* in Sao Paulo, where air humidity was very high.

London coffee prices fell *sharply yesterday, despite a* firm opening tone. The July position on the London terminal market closed £33 lower on the day, at £1,414.5 a tonne, after reaching £1,457.

The initial rise was attributed to general sentiment and New York's performance on Friday, but by lunchtime dealers were describing the market as "hesitant."

Trade sources said the sharp late fall was due to stop-loss orders being triggered following earlier small declines. But they stressed that there were no fundamental coffee factors sending prices lower.

Sr. Calazans says this year's harvest should reach some 7.5m. bags. The USDA's estimate of 9.3m. to 10m. was dubbed "ridiculous" here. Sr. Gomes said it was based on figures from last October and even caused laughter among U.S. traders.

With exports limited to 12m. bags and domestic consumption at 6m. bags, Sr. Calazans' estimate would leave stocks of some 13.5m. bags by next May. For the IBC president the great unknown is the 1977-78 harvest, but he believes it could reach some 13m. to 15m. bags. "If there are no more natural disasters."

Even with the more optimistic forecast, this would leave a stock of only 10.5m. bags (by May, 1978), not all of which would be of export standard.

These prospects of great shortage account for Brazil's recent—and unlikely—sallies on to the world market in search of coffee. So far, with little success, for its Angolan purchases apparently amounted to *less than 100 000 bags and a* deal with the Ivory Coast has yet to be agreed.

Indeed, the July, 1975, frosts, which cut Brazil's harvest from an estimated 28m bags to a *mere 7.5m., are not the only* reason for the present world shortage.

Crops have been disappointing in other countries as well, particularly in Angola where the harvest is now put at 600,000 bags, instead of the expected 3.2m bags.

Moreover, world stocks have been dwindling over the last decade, falling from 83m in 1965 to 25.7m last year. The *frosts here have thus merely* aggravated the increasing shortages.

Up to the present, it is the Brazilian housewife who has been hit worst by the present debacle. Prices on the domestic market have shot up by an incredible 2,000 per cent over the last six years, now standing at Cruzeiros 43.20 (£2.26) per kilo.

Whether demand for coffee is, or is not, elastic with respect to prices in developed countries has been hotly debated at the seminar, but there is no doubt that the high prices here are putting coffee out of the reach of most people. Even IBC *officials say the present price is* absurd.

A Brazilian worker earning the minimum legal wage—57 per cent. of workers earn no more than this—would spend all his earnings to-day simply buying 17 kilos of coffee a month.

Not surprisingly, coffee consumption is falling. It was already down to 6.9m. bags last year, compared with 9.7m. in 1969 (despite a population increase of some 15m.). The downward trend has accelerated and some traders think it may even fall to 5m. bags or less.

Paradoxically, it may seem, even a worker at a roaster factory admitted that he could not afford to drink coffee now. A new "barley coffee," that contains not a single grain of coffee, but allegedly has the same aroma and taste, is selling like hot cakes in this land of coffee.

COMMODITY MARKET REPORTS AND PRICES

BASE METALS

COCOA

Prices initially moved further ahead on renewed speculative buying and shortcovering, but once this had been filled values declined sharply, closing near the day's lows, reports Gill and Duffus.

COFFEE

RUBBER

SILVER

GRAINS

FREIGHTS

MEAT/VEGETABLES

SOYABEAN MEAL

SUGAR

WOOL FUTURES

JUTE

COTTON

PRICE CHANGES

Prices per ton unless otherwise stated.

Silver and copper close lower

NEW YORK, May 10.

FINANCIAL TIMES

REUTER'S

DOW JONES

MOODY'S

COMPANY NOTICES

STOCK EXCHANGE REPORT

Interest still restrained by rumours of ICI "rights"

Share index edges up 0.3 to 415.5—GKN rally

Account Dealing Dates

Option *First Dealings	Declarations	Last Dealings	Account Day
Apr. 20	Apr. 29	Apr. 30	May 11
May 3	May 13	May 14	May 25
May 17	May 27	May 28	Jun. 9

* "New time" dealings may take place from 9.30 a.m. two business days earlier.

With rumours of a possible "rights" issue from ICI persisting, potential buyers were content to hold off in stock markets yesterday. None the less, there was no selling pressure either and the underlying trend was quietly steady, *sentiment being helped* by the statement from Dr. Otmar Emminger, deputy governor of the Bundesbank, that the pound is now undervalued and that the U.K. has an excellent chance for an export-led recovery.

Although much of the recent steam went out of the gilt-edged sector, short-dated issues closed with further gains ranging to ⅜, while the later maturities managed to hold on to the recent good gains. Leading equities fluctuated *narrowly* and, with final quotations a shade harder on balance, the FT 30-share index closed 0.3 higher at 415.5. GKN, an index constituent, rallied 8 to 344p, after last Friday's fall of 19 on doubts about the outcome of its deal with Sachs, the German motor components concern.

Company trading statements and favourable Press comment provided a few small features, but otherwise movements of note were *few and far between. Rises* outnumbered falls, by 6-5, in FT-quoted Industrials, but the FT-Actuaries All-Share index eased 0.2 per cent. to 170.48. The continued lack of activity was reflected in official markings of only 4,922.

Long Gilts consolidate

A lull in the recently increased demand for long-dated British Funds gave the market the opportunity yesterday to consolidate the gains of the past week. Opening quotations were marginally higher, but they soon reverted to Friday's closing levels and remained there until the after-hours' trading when once again a harder tendency became apparent. Shorter maturities also turned higher late on reports that the Transport and General Workers' Union had accepted the Government/TUC pay policy. Low-coupon issues figured prominently and, in thin market conditions, established gains extending to ⅜.

Interest continued at a low ebb in the investment currency market and after completion of a few early orders the premium drifted lower to close a point down at 122¼ per cent. Yesterday's SE conversion factor was 0.6396 (0.6384).

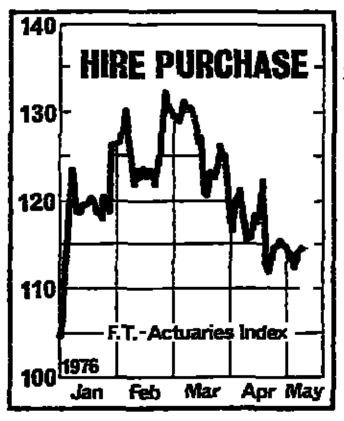
Com. Union better

Composite Insurances failed to attract much support, but the better-than-expected first-quarter figures helped **Commercial Union** edge forward 2 to 132p, after 133p. **Eagle Star** also closed 2 better, at 130p, but **Sun Alliance** lost 2 to 433p and "**Royals**" were 4 off at 318p. Among Lloyds brokers, **Hogg Robinson** improved 5 to 175p and **Alexander Howden** put on 3 to 173p but last week's firm counter **C. E. Heath** closed unaltered at 412p with the "new" nil-paid also unchanged at 112p premium.

In extremely quiet trading, the big four Banks drifted gently lower with **Lloyds** closing 5 off at 237p and **Midland** 2 down at 290p. In front of to-morrow's results, **Allied Irish** cheapened 2 to 106p. Discounts continued to make headway with sentiment helped *by the firm performance of gilts.* In a thin market, **Allen Harvey and Ross** rose 10 to 400p, while **Alexanders** and **Union** were 5 better at 228p and 345p respectively. On the chairman's annual statement, **Jessel Toynbee** hardened 5 to 73p and, ahead of results due on Thursday, **King and Shaxson** improved 3 to 58p. Merchant banks had contrasting features in **Guinness Peat**, which touched 210p before closing 2 better at 208p, and **Edward Bates** 3 lower at 31p on small selling and lack of support.

Breweries and kindred trades closed narrowly mixed after a quiet session. **Bass Charrington** shed 2 to 96p and **Allied** shaded a penny to 66½p.

In Buildings, **Thomas Warrington** improved 4 to 34p in response to the increased dividend and earnings. Press comment directed attention to **Richards and Wallington**, 1½ harder at 61½p, and **David Charles**, 2 better at 14p, while fresh support took **Heywood Williams** up 4 to 28p. **Sheffabear Price** eased a penny to 33p on the disclosure of reduced earnings. **Armitage Shanks** gave up 2 at 64½p, while **McNeill Group**, 46p, and **Phoenix Timber**, 73p, lost 3 apiece. **Concrete Products** were quoted yesterday at 93p to 98p: the price in last Saturday's Regional list was incorrect.



Still overshadowed by talk of an imminent "rights" issue, **ICI** closed a penny cheaper at 394p, after 396p. **Fisons** contrasted with a rise of 5 to 405p in response to investment demand, while **Alginate**, still reflecting last week's preliminary statement, moved up 2 more to a 1976 peak of 232p for a two-day gain of 10.

ICH harden

News of the sale of GEC's remaining 18.2 per cent. stake in **International Computers** to Plessey and the National Enterprise Board for 150p per share imparted firmness to **ICH**, which hardened 2 to 148p. **GEC**, 165p, after 166p, and **Plessey**, 79p, both finished a penny firmer. Other leading Electricals were also quietly firm: **Reyrolle Parsons** put on 3 to 131p, while **Philips' Lamp**, awaiting Thursday's first-quarter figures, closed 5 better at 990p. Elsewhere, **Campbell and Isherwood** improved 3 to 68p and **Dowding and Mills** 2 to 19p, while **Sony** moved up 30 to 800p. The chairman's statement with the full report left **Rotaflex (Great Britain)** a penny harder at 29p. **Louis Newmark** made a dull showing in a thin market at 100p, down 5, *while* **James Scott**, 17p, and **Ultra Electronic**, 53p, shed 2 apiece.

Leading Stores fluctuated narrowly before closing at, or near, Friday's closing levels. **Debenhams**, at 92p, regained 2 of *Friday's loss of 3, while* **House of Fraser**, 92p, "**Gussies**" "A," 203p, and **Combined English Stores**, 82p, all closed a penny better on balance. **Marks and Spencer** closed without alteration at 99p. Among the smaller-priced issues, **Selincourt** closed a fraction harder at a 1976 peak of 11p and **Steinberg** finished a penny firmer at 13p. Mail Orders were easier for choice, but Shoes had **Garnar Scotblair** a penny firmer at 71p *following the chairman's* encouraging statement.

GKN regained composure at 334p, up 8, after Friday's alarums concerning a German report which stated that the company's proposed partial bid for Sachs may well be blocked by the authorities there. Other Engineering leaders remained at Friday's levels, but isolated features occurred among secondary issues. **Weyburn** attracted small investment demand and, in a narrow market, rose 22 to 262p, while **Staveley Industries** moved up 6 to 184p in response to the impressive first-half results and profits forecast. **James Neill** rallied 3 to 77p, despite the missed profits forecast, and newspaper mention lifted **C. and W. Walker** 2 to 106p. **Samuel Osborn**, on the other hand, slipped 2 to 58p following lower interim figures and **Automatic Oil Tools** were quoted similarly cheaper at 57p, although the midway statement was encouraging. Elsewhere, **William Bate** gained 4 to 69p, **Dunford and Elliott** picked up 3 to 44p and **Danks Gowerton** a like amount to 40. Smaller-priced *issues featured* **Davies and Metcalfe** "A," which improved 2½ to 13½p. In Shipbuildings, **Robb Caledon** rose 2 to 45p after the preliminary results.

In quiet Foods, **RHM** were a *fraction harder at 56p in front of* to-day's interim statement, while Press comment helped **Tate and Lyle** to close a penny harder at 290p and **Bejam** 3 better at 86p. **Squirrel Horn** were 2 firmer at 37p as were **A. J. Mills** at 56p. **P. Panto**, *on the other hand, closed a penny* cheaper at 26p following the preliminary figures and, among smaller-priced issues, **Barker and Dobson** lost ½ to 5½p and **Louis C. Edwards** receded a penny to 9½p. Supermarkets attracted some interest and closed firmly with **Kwik Save Discount** 6 up at 120p following Press comment.

Petrocon improve

Miscellaneous Industrial leaders hardly stirred in idle trading. Elsewhere, **Petrocon** managed an improvement of 4 to 100p, benefiting from higher half-time profits, while **Development Securities**, still on hopes of the Dorchester Hotel being sold, moved up *another* 15 to 325p in a thin market. The chairman's statement with the full accounts left **Relyon PBWS** 2 better at 70p. **Sears Holdings**, with results due to-day, ended fractionally harder at 47p, while results much as expected left **European Ferries** slightly up at 71p. Rises of around 4 were recorded in **Renwick Group**, 24p, **Unerman**, 65p, and **R. Kelvin Watson**, 56½p. **Lesney Products** were *quoted ex "rights"* at 64p, with the new nil-paid at 17p premium.

Apart from **Lucas**, which closed 4 cheaper at 220p following news that the resolution to increase the authorised capital had been passed at the extraordinary general meeting, Motors and Distributors were idle and little changed. **Dunlop** ended unchanged at 91p, after 92p, despite Press suggestions of a forthcoming "rights" issue. **Dowty** eased 2 to 176p, but **Abbey Panels** contrasted *with a* rise of 3 to 35p. **Pennine Motor** closed a fraction harder at 5½p in Garages where **Lookers** finished a penny firmer at 23p and **Appleyard** 2 dearer at a 1976 peak of 56p.

Marginal changes appeared against Paper/Printings, **McCorquodale** improving 3 to 216p and **Bunzl Pulp** holding at 111p, the latter ahead of to-day's prelimi*nary figures.* **Pyramid** hardened 2 to 35p in Publishers.

Intereuropean react

Property leaders opened a little firmer, but subsequently drifted down on lack of interest to end with minor net losses. **Land Securities**, 156p, after 159p, and **MEPC**, 66p, after 70p, both finished 2 easier, while **English Property** were finally a penny cheaper at 40p. Elsewhere, profit-takers caused a reaction of 5 to 73p in **Intereuropean Properties** following the recent speculative advance. **Investment and Property Holdings** were lowered 2 to 12p in reflection of the heavier loss incurred in the first half. **Artagen Properties**, a penny easier at 79p at the House close, held this level following the "after-hours" news of the posting of the formal documents for the rejected 73p cash offer from Sun Life. **Barratt Developments** declined 4 to 101p and **Berkeley Hambro** gave up 3 to 133p, but **London and Provincial Shop Centres** responded to higher first half profits with an improvement of a penny to 32p. **Midhurst White** closed similarly firmer at 13p.

Tricentrol traded rather briskly in ex "rights" form and after reacting to 52p rallied to close at 54p for an adjusted loss of 3; the new nil-paid shares were also active and ended at 7½p premium, after 11p premium. Oils otherwise drifted back *in* slow trading. **British Petroleum** settling 6 lower at 672p and **Shell** 2 easier at 438p. **Ultramar**, too, gave up 2 to 166p, but **LASMO/SCOT** firmed that amount to 202p. Among overseas issues, **Woodside-Burmah** cheapened 3 to 99p, while **Weeks Natural Resources** were raised 5 more to 65p: the latter's options jumped 9 to 20p. **Siebens (U.K.)**, despite the latest North Sea drilling results, picked up 15 to 195p.

Overseas Traders looked a little easier in places, but **Caroni** contrasted with a rise of 1¾ at 7¾p. **Ocean Wilsons**, 134p, relinquished 2 more of the speculative advance which followed the recent acquisition of a 15 per cent. stake by **Inchcape**, a shade firmer at 445p. After last Friday's Press-inspired rise of 7, **Jamaica Sugar** reacted a penny to 20p.

Akroyd and Smithers improved further after recent firmness, week-end *Press comment ahead* of next Monday's interim figures prompting a fresh gain of 8 to 218p. Elsewhere in Trusts and Financials, **Hambro Trust** hardened 2 to 26p and **R. P. Martin** improved 3 to 78p. **S. Pearson**, on the other hand, cheapened 2 to 142p.

Up 12 last week, **P & O Deferred** *rose 2 more to 109p helped by* Press comment.

Textiles displayed no set trend after a small trade. Week-end Press comment predicting a strong profits recovery in the first-half and a return to the dividend list when the company report shortly helped **Levex** harden 1¼ to 12p, while **Tricoville** rose 2 to 32p on the satisfactory interim results. The Tobacco majors moved only slightly from Friday's *closing* levels. **Bats** shaded 2 to 393p but **Imps** hardened to 78p.

Gold-uraniums up

South African Gold shares continued to gain ground in the wake *of the bullion price*, which rose a further 25 cents to $128.375 per ounce. Uranium-golds and marginal issues were particularly firm owing to favourable Press comment and Cape buying, although modest Continental offerings pared some of the earlier sharp rises. The Gold Mines index rose a further 6.5 to 190.5.

Among the Uranium-Golds, **Randfontein** gained a point to £18 after a year's high of £18¼, while **Southvaal** advanced 55 *to* 595p. The marginal **West Rand Consolidated** put on 30 to 340p, after 350p. **Marievale** rose 25 to 155p.

South African-based Financials were generally firmer in idle trading with sentiment helped by technical arbitrage considerations. **Anglo American** were 7 higher at 332p and **Middle Wits** closed 10 better at 375p.

London-based Financials were *little changed.* **Selection Trust** lost 5 more to 465p and the new shares fell a similar amount to 62p premium.

Coppers were untested but Platinums edged higher owing to Cape demand. Tin shares responded to the week-end advance in the Eastern metal price. Among those to attain 1976 *highs were* **Ayer Hitam**, *8 higher* at 248p, **Geevor**, 15 to the good at 240p, and **Tronoh**, which closed 3 up at 100p. In the Nigerians, **Amalgamated Tin** rose 3 to 39p and **Gold and Base** put on 2 to 14p.

Australians drifted, in line with the trend in overnight home markets and the modest decline in the investment dollar premium. **Pancontinental** gave up ½ at £11 following unfavourable Press comment. *Losses of around 4* were seen in **BH South** (198p) and **MIM** (280p).

FINANCIAL TIMES STOCK INDICES

—	May 10	May 7	May 6	May 5	May 4	May 3	A year ago
Government Secs.	63.43	63.07	62.82	62.47	62.10	62.12	57.46
Fixed Interest	62.91	62.84	62.31	61.90	61.65	61.70	57.35
Industrial Ordinary	415.5	415.2	417.8	420.6	420.8	419.2	333.6
Gold Mines	190.5	184.0	178.5	188.2	187.5	189.7	377.2
Ord. Div. Yield	5.09	5.09	5.05	5.02	5.02	5.03	6.21
Earnings Y'ld % (full)(a)	14.84	14.85	14.56	14.74	14.75	14.77	18.15
P/E Ratio (net) (a) (b)	10.00	9.99	10.19	9.97	9.97	9.95	7.73
Dealings marked	4,922	4,695	5,702	5,471	6,485	6,754	6,551
Equity turnover £m.	—	56.78	66.73	66.27	65.28	76.86	89.00
Equity bargains total	—	13,182	14,208	14,744	14,250	16,259	19,158

10 a.m. 415.5. 11 a.m. 416.2. Noon 416.1. 1 p.m. 415.9. 2 p.m. 415.8. 3 p.m. 415.5.

Latest Index 01-246 8026.

(a) Based on 52 per cent. corporation tax. (b) Nil=9.94.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ind. Ord. 1/7/35. Gold Mines 12/9/55. SE Activity July-Dec. 1942.

HIGHS AND LOWS

—	1976 High	1976 Low	Since Compilation High	Since Compilation Low
Govt. Secs.	65.21 (30/1/76)	60.19 (2/1/76)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	64.43 (2/2/76)	59.75 (2/1/76)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	420.8 (4/5/76)	381.6 (6/1/76)	543.6 (19/5/72)	49.4 (26/6/40)
Gold Mines	246.9 (2/1/76)	140.1 (5/4/76)	442.3 (22/5/75)	43.5 (26/10/71)

S.E. ACTIVITY

—	May 10	May 7
Daily—		
Gilt-Edged	160.0	119.1
Industrials	164.0	163.8
Speculative	47.5	60.3
Totals	112.0	106.8
5-day Av'r'ge.		
Gilt-Edged	145.4	143.6
Industrials	187.8	195.6
Speculative	58.6	60.0
Totals	124.1	127.9

Interest rate relief grant increased

A MAXIMUM rate of interest relief grant and interest rates for loans under Section 7 of the Industry Act 1972 were increased yesterday.

Rate of interest relief grant available in those cases where it would be appropriate to allow the equivalent of an interest free period on a Department of Industry loan—but where companies obtain their finance from other sources—is being increased from 11¼ per cent to 12 per cent. for each interest free year.

The "concessionairy" rate of interest on loans for employment-creating projects (category A) is increased from 8¾ per cent. to 9 per cent. The "broadly commercial" rate of interest on loans for moderisation projects not providing additional employment (category B) is increased from 11¼ per cent. to 12 per cent.

F.T.—ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, The Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS — GROUPS & SUB-SECTIONS. Figures in parentheses show number of stocks per section.

	Groups & Sub-sections	Mon. May 10, 1976: Index No.	Day's Change %	Est. Earnings Yield % (Max.) (Corp. Tax 52%)	Gross Div. Yield % (ACT at 35%)	Est. P/E Ratio (Net) (Corp. Tax 52%)	Est. P/E Ratio (Nil) (Corp. Tax 52%)	Friday May 7 Index No.	Thurs. May 6 Index No.	Wed. May 5 Index No.	Tuesday May 4 Index No.	Year ago (approx.) Index No.	1976 High	1976 Low	Since Compilation High	Since Compilation Low
1	CAPITAL GOODS (179)	158.01	−0.2	14.35	5.58	10.51	10.41	158.28	158.94	158.83	158.56	132.87	160.06 (21/4)	145.65 (2/1)	206.37 (4/5/72)	50.71 (13/12/74)
2	Building Materials (30)	143.93	−0.7	12.58	6.30	12.04	12.04	144.90	145.76	145.74	145.57	111.35	150.18 (16/1)	138.49 (20/2)	233.84 (2/5/72)	44.27 (11/12/74)
3	Contracting, Construction (23)	219.68	−0.7	16.31	4.81	9.53	9.53	221.15	221.57	222.62	224.60	240.80	260.20 (15/1)	219.68 (10/5)	389.35 (19/5/72)	71.48 (2/12/74)
4	Electricals (16)	281.78	+0.5	14.55	4.40	10.15	9.85	280.45	280.60	278.97	278.13	211.90	287.30 (21/4)	250.60 (6/1)	350.04 (4/5/72)	86.71 (25/6/62)
5	Engineering (Heavy) (13)	191.08	+0.1	18.95	6.20	8.27	8.27	190.82	191.53	191.54	191.16	145.99	195.18 (5/5)	163.90 (6/1)	202.57 (6/5/75)	94.43 (1/2/76)
6	Engineering (General) (63)	147.38	−0.3	14.51	5.93	10.26	10.26	147.84	148.95	149.08	148.73	106.53	149.29 (5/5)	125.48 (2/1)	168.59 (4/5/72)	45.14 (6/1/75)
7	Machine and Other Tools (9)	58.89	−0.6	13.73	6.79	12.89	12.85	59.25	60.12	60.32	60.42	47.38	60.62 (3/5)	51.19 (5/1)	136.70 (4/7/66)	19.96 (13/12/74)
8	Miscellaneous (25)	141.54	+0.1	13.54	5.98	11.51	11.22	141.33	141.06	140.99	140.05	111.58	141.54 (10/5)	121.53 (2/1)	177.41 (21/4/72)	49.65 (6/1/75)
9	CONSUMER GOODS (DURABLE) (53)	138.17	−0.2	15.33	4.75	9.74	9.71	138.44	138.68	139.32	138.77	85.07	141.46 (21/4)	121.87 (2/1)	227.78 (21/4/72)	38.39 (6/1/75)
10	Lt. Electronics, Radio TV (15)	155.08	—	12.80	3.47	11.47	11.46	155.02	155.01	155.86	155.69	94.93	160.35 (7/4)	139.18 (2/1)	257.41 (19/6/72)	42.85 (12/12/74)
11	Household Goods (13)	182.87	—	16.94	6.27	8.98	8.96	182.93	182.93	184.44	182.55	136.09	187.22 (7/4)	163.38 (3/1)	263.22 (4/5/72)	63.92 (17/12/74)
12	Motors and Distributors (25)	85.46	−0.7	18.99	6.26	7.96	7.92	84.01	84.48	84.62	84.08	47.43	85.16 (5/5)	70.05 (6/1)	170.59 (15/1/69)	19.91 (6/1/75)
13	CONSUMER GOODS (NON-DURABLE) (168)	157.37	—	13.60	5.71	11.07	10.99	157.41	158.71	158.76	157.12	138.14	162.24 (4/2)	148.09 (12/4)	226.08 (16/8/72)	61.41 (13/12/74)
14	Breweries (15)	159.87	−0.9	14.08	6.78	10.66	10.66	161.26	162.94	162.06	160.87	151.07	179.43 (2/2)	150.25 (12/4)	281.87 (28/11/73)	69.47 (13/12/74)
15	Wines and Spirits (7)	184.05	−0.6	10.22	5.60	14.89	14.89	185.18	188.46	190.67	190.07	157.67	190.67 (6/5)	173.82 (12/4)	257.40 (13/7/72)	78.81 (13/12/74)
16	Entertainment, Catering (14)	187.89	−0.1	12.79	7.02	12.03	11.94	188.03	189.07	188.46	187.69	148.36	211.26 (2/3)	182.25 (2/4)	329.99 (12/12/72)	64.87 (19/7/74)
17	Food Manufacturing (22)	178.33	−0.1	14.36	4.84	10.63	10.56	178.45	179.26	178.41	177.19	148.83	179.26 (6/5)	162.69 (20/2)	211.65 (1/6/72)	59.78 (11/12/74)
18	Food Retailing (16)	144.31	−0.5	11.43	4.88	12.73	12.73	145.53	145.08	142.66	138.84	136.79	150.05 (12/1)	135.51 (2/4)	235.08 (15/8/72)	54.25 (11/12/74)
19	Newspapers, Publishing (16)	176.49	−0.1	11.68	5.64	13.12	13.12	176.60	176.60	175.64	175.60	139.35	184.34 (11/3)	163.47 (3/1)	250.39 (12/1/73)	55.08 (6/1/75)
20	Packaging and Paper (12)	110.94	—	16.11	7.05	9.47	9.47	110.96	111.68	111.70	110.50	105.45	112.50 (26/3)	104.18 (2/4)	155.69 (26/4/72)	43.46 (6/1/75)
21	Stores (34)	128.26	+0.1	11.72	5.34	13.16	13.14	128.13	129.61	129.69	127.58	125.47	136.24 (2/2)	121.50 (12/4)	204.39 (6/2/72)	52.63 (6/1/75)
22	Textiles (23)	174.54	+0.7	12.44	6.34	10.62	9.93	173.38	174.08	174.56	171.92	135.60	183.19 (30/1)	163.16 (2/4)	253.72 (17/9/68)	62.66 (11/12/74)
23	Tobaccos (3)	235.50	—	18.51	6.02	8.24	8.24	235.30	237.20	240.75	240.00	187.19	241.89 (5/5)	211.56 (5/5)	339.16 (2/8/72)	94.34 (15/6/62)
24	Toys and Games (6)	78.64	+0.1	16.98	6.06	8.20	8.20	78.43	78.10	77.89	77.84	41.85	78.54 (10/5)	59.13 (22/1)	135.72 (16/1/70)	20.92 (6/1/75)
	OTHER GROUPS (96)															
25	Chemicals (26)	225.63	—	11.55	4.27	12.42	12.41	225.67	227.60	228.41	228.04	169.35	231.58 (5/5)	199.45 (6/1)	231.58 (5/5/76)	71.20 (1/12/74)
26	Office Equipment (9)	97.92	−0.2	13.01	5.52	11.70	11.70	98.10	97.81	97.89	97.68	94.78	99.32 (21/4)	85.09 (2/1)	246.06 (1/9/72)	45.34 (2/1/75)
27	Shipping (12)	405.10	+0.5	13.58	6.36	10.24	9.91	403.21	402.81	401.11	397.26	365.05	432.64 (30/1)	355.52 (19/3)	517.00 (5/12/72)	90.80 (29/6/62)
28	Miscellaneous (49)	170.08	−0.3	13.75	6.29	10.70	10.69	170.51	171.32	171.61	171.05	145.92	172.98 (21/4)	156.79 (2/1)	258.83 (2/5/72)	60.39 (6/1/75)
29	INDUSTRIAL GROUP (496)	163.55	−0.1	13.55	5.46	10.98	10.90	163.68	164.70	164.84	163.87	134.20	165.38 (5/5)	152.00 (2/1)	220.17 (1/5/72)	59.01 (13/12/74)
30	OILS (4)	382.65	−0.7	11.19	4.29	10.34	9.57	385.37	383.64	380.75	380.17	265.56	385.37 (7/5)	331.34 (16/2)	431.66 (23/5/69)	87.23 (29/5/62)
31	500 SHARE INDEX	181.65	−0.2	13.18	5.28	10.87	10.67	181.96	182.79	182.70	181.75	145.30	183.00 (5/5)	167.51 (2/1)	227.95 (16/2/72)	63.49 (13/12/74)
32	FINANCIAL GROUP (100)	137.50	−0.1	—	5.35	—	—	137.63	136.67	137.86	137.64	140.36	153.46 (30/1)	132.75 (12/4)	241.41 (11/4/72)	55.88 (13/12/74)
33	Banks (6)	167.03	−0.5	18.30	5.07	8.41	8.41	167.82	165.41	165.67	165.94	152.56	192.16 (29/1)	152.93 (19/3)	288.32 (20/7/72)	62.44 (12/12/74)
34	Discount Houses (10)	169.18	−2.8	—	7.34	—	—	164.65	162.12	162.84	162.84	136.92	186.52 (15/1)	152.20 (1/4)	293.13 (2/7/72)	81.40 (10/12/74)
35	Hire Purchase (5)	114.97	+0.8	—	5.48	—	—	114.04	112.32	113.97	113.17	108.88	132.10 (26/2)	104.50 (2/1)	433.72 (4/6/72)	38.83 (11/12/74)
36	Insurance (Life) (9)	117.60	+0.3	—	6.07	—	—	117.30	117.54	119.81	118.43	113.50	129.46 (30/1)	116.73 (26/4)	194.46 (15/5/72)	44.88 (2/1/75)
37	Insurance (Composite) (7)	109.06	—	—	6.44	—	—	109.08	108.85	110.17	110.39	112.73	119.75 (30/1)	105.32 (5/1)	155.76 (21/4/72)	43.96 (13/12/74)
38	Insurance Brokers (9)	274.75	+0.8	8.63	4.03	17.22	17.22	272.63	267.03	266.56	263.51	193.40	274.75 (10/5)	218.26 (5/1)	274.75 (10/5/76)	65.86 (16/12/74)
39	Merchant Banks (17)	81.48	−0.5	—	6.79	—	—	81.76	81.72	81.29	81.27	86.79	95.83 (27/1)	77.94 (2/4)	278.57 (1/5/72)	31.21 (7/1/75)
40	Property (31)	159.09	−0.6	3.30	3.16	53.90	54.74	160.11	159.74	162.74	162.44	225.23	194.57 (30/1)	155.65 (12/4)	357.40 (9/11/73)	56.01 (20/4/65)
41	Miscellaneous (6)	82.28	+0.8	15.89	6.62	9.86	9.86	81.66	80.93	80.93	80.80	71.62	91.98 (5/2)	78.10 (2/4)	303.13 (18/6/72)	33.29 (17/12/74)
42	Investment Trusts (50)	169.81	−0.1	3.05	4.28	34.16	34.13	170.03	169.83	168.42	167.67	172.77	184.55 (30/1)	155.54 (2/4)	245.79 (25/4/72)	71.63 (13/12/74)
43	ALL-SHARE INDEX (650)	170.48	−0.2	—	5.24	—	—	170.75	171.14	171.25	170.48	144.81	172.64 (30/1)	160.52 (2/1)	228.18 (1/5/72)	61.92 (13/12/74)
	COMMODITY GROUPS (Not included in 500 or All-Share indices)															
44	Rubbers (9)	523.22	—	11.39	6.47	13.24	13.05	523.40	523.02	521.16	517.65	515.72	523.40 (7/5)	404.67 (15/1)	555.37 (25/7/73)	84.68
45	Teas (8)	138.82	—	30.35	8.53	4.47	4.32	138.82	138.82	138.82	140.20	88.83	140.44 (29/4)	117.89 (7/1)	140.44 (29/4/76)	59.72 (17/10/74)
46	Coppers (3)	244.06	−0.6	40.49	7.04	2.47	2.47	245.52	243.54	244.03	248.60	453.09	301.47	178.95	567.78 (15/7/73)	94.08 (29/4/62)
47	Mining Finance (11)	118.71	+0.2	8.95	4.30	12.53	12.44	116.54	116.53	116.89	115.15	133.28	119.77 (7/1)	86.18	175.90 (28/4/69)	66.31 (31/3/74)
48	Tins (8)	115.14	+1.4	10.53	7.66	13.83	13.11	113.55	108.68	107.69	107.69	103.98	115.14 (10/5)	86.09	125.43 (29/1/73)	54.83 (27/5/71)
49	Overseas Traders (13)	250.99	−0.3	13.21	4.11	9.85	9.83	251.59	252.17	251.93	251.17	239.75	254.47 (5/5)	229.55 (2/1)	254.47 (5/5/76)	97.37 (6/1/75)

FIXED INTEREST

		Monday May 10 Index No.	Yield %	Friday May 7	Thurs. May 6	Wed. May 5	Tuesday May 4	Monday May 3	Friday April 30	Thurs. April 29	Year ago approx.	1976 High	1976 Low	Since Compilation High	Since Compilation Low
1	Consols 2½% yield	—	13.60	13.50	13.68	13.49	13.86	13.85	13.63	13.83	15.51				
2	20-yr. Govt. Stocks (6)	50.87	12.81	50.89	50.82	50.17	49.84	49.86	49.86	49.85	45.23	53.45	47.36	115.42	86.77
3	20-yr. Red. Deb. & Loans (15)	51.12	14.53	51.09	50.58	50.52	50.57	50.00	50.05	50.04	45.52	51.46	46.68	115.43	37.01
4	Investment Trust Prefs. (15)	49.39	14.06	48.62	48.81	48.48	48.48	48.44	48.19	48.27	42.20	51.23	46.50	114.41	33.45
5	Coml. and Indl. Prefs. (20)	67.84	14.05	67.67	66.72	66.37	65.87	65.40	65.65	65.20	[illegible]	71.07	62.76	114.95	47.67

Section or Group	Base Date	Base Value	Section or Group	Base Date	Base Value
Overseas Traders	31/12/74	100.00	Miscellaneous Financial	31/12/70	128.06
Engineering (Heavy)	31/12/71	153.84	Food Manufacturing	29/12/67	114.13
Engineering (General)	31/12/71	153.84	Food Retailing	29/12/67	114.13
Wines and Spirits	16/1/70	128.06	Insurance Brokers	29/12/67	96.67
Toys and Games	16/1/70	135.72	Mining Finance	29/12/67	100.00
Office Equipment	16/1/70	153.74	All Other	10/4/62	100.00
Industrial Group	31/12/70	128.20			

† Redemption yield. Indices calculated by Extel Communications Limited (a member of the Exchange Telegraph Group) on an IBM 370 computer. A list of the constituents of the FT-Actuaries Share Indices is now available from the Publishers, the Financial Times, Bracken House, Cannon Street, London EC4P 4BY, price 15p, by post 20p. * Corrected.

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1976 high	1976 low
Selectn. Tst. 'New'	Nil/pd.	12	62*	− 5	92*	62*
Bowring (C. T.) 'New'	Nil/pd.	10	15*	—	17*	8*
ICI	£1	10	394	− 1	411	334
Bats	25p	9	393	− 2	410	342
Tricentrol 'New'	Nil/pd.	9	7½*	—	11*	6½*
Bowater	£1	7	226	− 1	230	173
BP	£1	7	672	− 6	678	575
Distillers	50p	7	151	− 1½	158	142
Shell Transport	25p	7	438	− 2	444	378
GEC	25p	6	165	+ 1	168	142
Glynwed 'New'	Nil/pd.	6	23*	− 1½	26½*	23*
GKN	£1	6	334	+ 8	360	266
Hongkong & Sh. Banking	$HK2.50	6	345	− 2	350	291
Lucas Inds.	£1	6	220	− 4	234	185
Nat. Westminster	£1	6	242	—	290	228

The above list of active stocks is based on the number of bargains recorded yesterday in the Official list and under Rule 163(1) (e). * Premium.

Option Report—3-month Call rates

OPTION DEALING DATES

First Dealings	Last Dealings	Last Declaration	For Settlement
May 11	May 24	Aug. 5	Aug. 17
May 25	Jun. 8	Aug. 19	Sep. 1
Jun. 9	Jun. 21	Sep. 2	Sep. 14

"Calls" were dealt in **Ocean Wilson, Lonrho, Ayer Hitam, Serck, Trust Houses Forte, Berwick Timpo, Sungei Besi, St. Piran** and *Associated Fisheries*. No "puts" were reported, but "doubles" were arranged in **ICI** and **Hawthorn Leslie.**

Industrials		Guardian	20	Spillers	3	Shell	22
		G.K.N.	22	Tesco	5	Ultramar	50
A. P. Cement	15	Hawker Sidd	35	Thorn "A"	20		
Assoc. Leisure	3	House of Fraser	8	Tube Invest.	27	Mines	
Barclays Bank	22	I.C.I.	21	Unilever	40	Anglo Amer.	50
Beecham	28	"Imps"	7	Utd. Drapery	10	Charter Cons.	16
Boots Drug	12	I.C.L.	14	Vickers	13	Coast'rh'll Fin.	6
Bowaters	16	Inveresk	7	Williams Hud'n	4	Cons. Gold	16
B.A.T.	50	Legal & General	13	Woolworths	6	De Beers Def.	35
British Leyland	7	Ladbroke	11			F. S. Geduld	350
BOC Intl.	5½	Lloyds Bank	22	Property		Great Boulder	12
Burton 'A'	7	"Lofs"	4	Brit. Land	4½	Hampton Areas	12
Cadburys	6	"Mams"	6	Cap Counties	3½	Hampton Prop.	4
Courtaulds	11	Marks & Sp'ncer	10	E.P.	8	Kiloi	100
Debenhams	8	Midland Bank	22	Int. Europ	7	Lonrho	12
Distillers	15	Nat West Bank	20	Land Securities	18	Loraine	55
Dunlop	7½	"Do" Warrants	8¼	MEPC	10	Poseidon	65
Eagle Star	15	P & O Dfd.	11	Peachey	5½	Pres. Steyn	200
E.M.I.	17	Plessey	8	Town & City	3½	Rio T. Zinc	17
Gen. Accident	16	R.H.M.	6	Town & Comm.	4	Welkom	65
Gen. Electric	13	Rank Org. 'A'	18			West Areas	40
Glaxo	35	Reed Int'l	25	Oils		Western M'ng.	18
Grand Met	7	Rothmans	4	Brit. Petroleum	40		
G.U.S. 'A'	17	Slater Walker	3½	Burmah Oil	7		

NEW HIGHS AND LOWS FOR 1976

The following securities quoted in the Share Information Service yesterday attained new Highs and Lows for 1976.

NEW HIGHS (103)

COMMONWEALTH & AFRICAN LOANS · LOANS (MISCELLANEOUS) · AMERICANS · BANKS · BEERS · BUILDINGS · CHEMICALS · DRAPERY & STORES · ELECTRICALS · ENGINEERING · FOODS · INDUSTRIALS · INSURANCE · MOTORS · NEWSPAPERS · PAPER & PRINTING · TEXTILES · TRUSTS · OILS · OVERSEAS TRADERS · TEAS · MINES [counts illegible]

NEW LOWS (31)

BUILDINGS: Armitage Shanks, Redland, Feb Intnl., Higgs and Hill, Travis and Arnold, McNeill Group, Wimpey (Geo.)
CHEMICALS (1): Anchor
ELECTRICALS (1): Decca 'A'
ENGINEERING (2): Auto-Oil, Bonser Engineering
FOODS (1): Fisher (A.)
HOTELS (1): Trust Houses Forte
INDUSTRIALS (5): Burco Dean, Giltspur, Hepworth Ceramic, Leo Group, Do. 7¼pcCnv.
NEWSPAPERS (1): Beaverbrook 'A'
PROPERTY (6): Barratt Develops., Land Securities, Bellway Hldgs., Do. 6¼pcCnv. '85, Centrovincial, Law Land
TEXTILES (2): Crowther (J.), Homfray
TRUSTS (2): Scottish European Fin & Ind. Tst., Martin (R. P.)

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	15	1	49
Corpns. Dom. and Foreign Bonds	13	3	48
Industrials	306	248	1,170
Financial and Prop.	74	92	406
Oils	11	7	19
Plantation	4	1	36
Mines	77	14	56
Recent Issues	13	10	43
Totals	512	376	1,821

BASE LENDING RATES

Allied Irish Banks Ltd.	9½%
American Express Bank	9½%
Anglo-Portuguese Bank	9½%
Henry Ansbacher	9½%
Banco de Bilbao	9½%
Banco de Jerez	10½%
Bank of Cyprus	9½%
Bank of N.S.W.	9½%
Banque du Rhone S.A.	10 %
Barclays Bank	9½%
Barnett, Christie Ltd.	10½%
Bremar Holdings Ltd.	10 %
Brit. Bank of Mid. East	9½%
■ Brown Shipley	9½%
Canada Permanent AFI	9½%
Cayzer, Bowater Co. Ltd.	10 %
Cedar Holdings	10 %
■ Charterhouse Japhet	9½%
C. E. Coates	10 %
Consolidated Credits	10 %
Co-operative Bank	*9½%
Corinthian Securities	9½%
Credit Lyonnais	9½%
G. R. Dawes	10½%
Duboff Brothers	11 %
Duncan Lawrie	9½%
English Transcont.	11 %
First London Secs.	9½%
■ Antony Gibbs	9½%
Goode Durrant Trust	10 %
Greyhound Guaranty	9½%
Grindlays Bank	‡ 9½%
■ Guinness Mahon	9½%
■ Hambros Bank	9½%
Hawtin & Partners	13 %
■ Hill Samuel	§ 9½%
C. Hoare & Co.	† 9½%
Julian S. Hodge	10½%
Hongkong & Shanghai	9½%
Industrial Bank of Scot.	9½%
Keyser Ullmann	10 %
Knowsley & Co. Ltd.	11½%
Lloyds Bank	9½%
London & European	11 %
London Mercantile	10½%
Midland Bank	9½%
■ Samuel Montagu	9½%
■ Morgan Grenfell	9½%
National Westminster	9½%
Northern Comm. Trust	10 %
Norwich General Trust	10 %
Portman Guaranty	9½%
P. S. Refson & Co.	9½%
Rossminster Accept'es.	9½%
Schlesinger Limited	10½%
E. S. Schwab	11 %
Security Trust Co. Ltd.	11 %
Shenley Trust	11½%
Standard Chartered	9½%
Trade Development Bk.	9½%
Twentieth Century Bk.	11½%
United Bank of Kuwait	9½%
Whiteaway Laidlaw	10 %
Williams & Glyn's	9½%
Yorkshire Bank	9½%

■ Members of the Accepting Houses Committee.
* 7-day deposits 5½%, 1-month deposits 5¾%.
† 7-day deposits on sums of £10,000 and under 5½%, up to £25,000 6¼% and over £25,000 6½%.
§ Demand deposit 7%.
‡ Call deposits over £1,000 5½%.

MONEY MARKET

Exceptional assistance

Bank of England Minimum Lending rate 10½ per cent. (since April 23, 1976)

Day-to-day credit was in very *short supply in the London money* market yesterday and the authorities gave assistance by buying an exceptionally large amount of Treasury bills and Corporation bills from the discount houses. Government disbursements exceeded revenue payments to the Exchequer, but on the other hand, banks carried *forward run-down balances, there* was a net market take-up of Treasury bills, and settlement was made of official sales of gilt-edged.

Discount houses paid 10-10⅛ per cent. at the start and closing balances were found at about 10 per cent.

Short-term fixed period interest rates were generally slightly firmer. The three-month sterling certificate yield increased to 10⅛-9⅞ per cent. from 10-9⅞ per cent. Rates in the table below are nominal in some cases.

May 10 1976	Sterling Certificates of deposits	Interbank	Local Authority deposits*	Local Auth. negotiable bonds	Finance House deposit	Company deposits	Discount market deposits	Treasury bills ♦	Bank Bills ♦	Fine trade Bills ♦
Overnight	—	10-10¼	—	—	—	10⅜	10-10½	—	—	—
2 days notice	—	—	9⅞-10	—	—	—	—	—	—	—
7 days or 7 days notice	—	10⅛-10¼	9⅞-10	—	—	[illegible]	10-10½	[illegible]	[illegible]	[illegible]
One month	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Two months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Three months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Six months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Nine months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
One year	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Two years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

* Local authority and finance houses seven days' notice, others seven days' fixed. Longer-term local authority mortgage rate nominally three years 12½-12¾ per cent.; four years 12¾-13 per cent.; five years 13-13¼ per cent. ♦ Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 9⅞ per cent.; four-month trade bills 10¼ per cent. Approximate selling rate for one-month Treasury bills 9⅝ per cent.; two-months 9¾-9⅞ per cent.; and three months 9¾-9⅞ per cent. Approximate selling rate for one-month bank bills 9¾-9⅞ per cent.; two months 9⅞ per cent.; and three months 9⅞-10 per cent.; one-month trade bills 10½ per cent.; two-month 10½ per cent.; and also three-months 10½-10⅝ per cent.

Finance House Base Rates (published by the Finance Houses Association) 9 per cent. from April 1, 1976. Clearing Bank Deposit Rates for small sums at seven days' notice 7 per cent. Clearing Bank Rates for lending 9½ per cent. Treasury Bills: Average tender rate of discount 9.8291 per cent.

CORAL INDEX
Close 413-418

I. G. INDEX—01-351 3466
GOLD 127-130

INSURANCE BASE RATES

† Atlantic Assurance	10½%
Cannon Assurance	9½%

† Address shown under Insurance and Property Bond table.

AUTHORISED UNIT TRUSTS

G.T. Unit Managers Ltd.♥
16, St. Martins-le-Grand, EC5. 01-600 9461

G T Cap. Inc.	63.3	67.3	.....	2.70
Do. Acc.	72.6	77.2	.....	2.70
G T. Inc. Fd. Un.	109.6	116.5	.....	8.70
G T. U.S. & Gen.	128.9	137.1	.....	1.60
G.T. Japan & Gen.	199.1	211.8	.....	0.60
♦Gt. Pens. Ex. Fd.	120.4	126.4	.....	2.10

G. & A. Tst. (a) (G)
5, Rayleigh Rd., Brentwood. (0277) 227300

G. & A.	26.3	28.1	.....	5.14

Gartmore Fund Managers♥(a)(g)
2, St. Mary Axe, EC3A 8BP. 01-283 3531

(z)American Tst.	25.5	27.4	+0.3	2.32
British Tst. (Acc.)	37.8	40.6	-0.2	3.79
Capital Fund	126.9	135.8	-0.2	3.25
Exempt Fund	85.8	92.3	.....	5.49
High Income Tst.	40.6	43.7	.....	9.82
Income Fund	52.9	56.9	+0.1	7.41
Ins. Agencies	£13.51	14.52	.....	3.25
(z)Int. Ts. (Acc.)	29.6	31.8	+0.3	2.18

Gibbs (Antony) Unit Tst. Mgs. Ltd.
23, Blomfield St., EC2M 7NL. 01-588 4111

(a) A.G. Income*	28.6	30.8	+0.2	10.48
(a) A.G. Growth††	26.5	28.8	.....	5.20
(a)A. G. Far East*	23.6	25.4	.....	0.50

Dealing *Tues. ††Wed.

Govett (John).♥
77, London Wall, E.C.2. 01-588 5620

Stockhdr. May 7	118.6	125.0	.....	1.46
Do. Accum. Unit	138.5	146.0	.....	1.46

Next dealing day May 21.

Grieveson Management Co. Ltd.
50 Gresham St., EC2P 2DS. 01-606 4433

L & C Unit Trust Management Ltd.♥
The Stock Exchange, EC2N 1HP. 01-588 2800

L&C Inc. Fd.	100.8	104.0	.....	7.83
L&C Intl & Gen. Fd.	88.2	91.0	.....	3.08

Lawson Securities Ltd. (a)(c)♥
63 George St., Edinburgh EH2 2JG. 031-226 3911

‡Raw. Materials	25.8	27.7	.....	4.00
‡(Accum. Units)	25.8	27.7	.....	4.00
*Scottish	67.5	73.3	-0.1	3.90
*(Accum. Units)	69.3	75.5	+0.1	3.90
††Gilt and Warrant	27.6	30.6	.....	2.84
‡American Fd.	23.6	26.2	.....	2.17
‡(Accum Units)	23.9	26.5	.....	2.17
**High Yield	38.4	42.3	.....	11.89
**(Accum. Units)	45.7	50.1	.....	11.89

Deal. ‡Mon. *Tues. ††Wed. ‡Thurs. **Fri.

Legal & General Tyndall Fund♥
18, Canynge Road, Bristol.

Dis. April 14	45.0	47.8	.....	5.08
(Accum. Units)	51.8	55.0	.....	5.08

Next sub. day May 14**

Leonine Administration Ltd.
2 Throgmorton Street, EC2 2AN 01-238 1171

Leo Cap. Fund	54.7	57.6	+0.2	6.88

Lloyds Bk. Unit Tst. Mngrs. Ltd.♥(a)
Registrar's Dept., Goring-by-Sea, Worthing, West Sussex. 01-623 1288

First (Balncd.)	42.1	45.2	.....	4.35
Do. (Accum.)	53.9	57.9	.....	4.35
Second (Cap.)	44.7	48.0	.....	3.33
Do. (Accum.)	52.7	56.6	.....	3.33

...ing Brothers & Co. Ltd.♥ (a)(x)
...eadenhall St., E.C.3. 01-588 2830

...ton Tst.	151.0	159.4	.....	4.67
...ccum.	179.8	187.2	.....	4.67

Next sub. day May 12.

...hopsgate Progressive Mgmt. Co.♥
...shopsgate, E.C.2. 01-588 6280

...tePro. *Apr. 27	126.0	134.2	.....	3.34
...Unit* Apr. 27	140.9	150.1	.....	3.34
...t Int.† May 4	133.0	143.1	.....	2.47
...Uts.† May 4	140.8	151.4	.....	2.47

Next sub. day† May 18. *May 11.

Equity & Law Un. Tr. M.♥ (a)(b)(c)
Amersham Rd., High Wycombe. 0494 33377

Equity & Law	54.1	56.9	.....	3.75

Framlington Unit Mgt. Ltd.♥
5-7, Ireland Yard, EC4B 5BH. 01-248 6971

Capital Tst.	62.2	66.0	.....	4.67
Income Tst.	62.0	65.8	.....	6.73

Friends' Provdt. Unit Tr. Mgrs♥
Pixham End, Dorking. 0306 5055

Friends Prov. Uts.	32.0	34.2	.....	4.57
Do. Accum.	38.4	41.0	.....	4.57

REGIONAL MARKETS

A selection of the share prices previously shown under regional headings is ...sented below with quotations on London. Irish issues, most of which are not ...cially listed in London, are shown separately and with prices as on the Irish ...hange.

			Graig Ship. £1	320	.....	Shiloh Spinn.	20	.....
			Hallam Sleigh 10p	8	.....	Sindall (Wm.)	53	.....
...pany Inv. 20p	19	.....	Higsons Brew.	97	.....	**IRISH**		
...h Spinning	34	.....	I.O.M. Stm. £1	192	.....			
...rtam	28	.....	Holt (Jos.) 25p	225	.....	Alliance Gas (£1)	72	.....
...g'wtr. Est. 50p	145	.....	Kleen-e-Ze	22	.....	Carroll (P. D.)	120	-4
...ver Croft	30	.....	Lovell's Ship £1	80	.....	Clondalkin	47	-1
...g & Rose £1	327	.....	N'thn. Goldsmith	89	.....	Concrete Prods.	95	.....
...son (R.A.)	18	.....	P.M.A.	40	.....	Goodbody (£1)	25	.....
...s & McHdy.	69	.....	Pearce (C. H.)	80	.....	Helton (Hldgs.)	27	.....
...ns Fr'k. 10p.	23	.....	Peel Mills	14	.....	Irish Distillers	58	.....
...red	10	.....	Robb Caledonia	44	+1	Irish Wire	40	.....
...Forge	45xr	+5	Sayers 12½p	13	.....	Jacob	63	.....
...ay Pkg. 5p	16½	.....	Sheffield Brick	87	.....	Sunbeam	13½	.....
...& Reed 50p	152	.....	Sheff. Refrshmt.	140	.....	Unidare	72	.....

INSURANCE, PROPERTY, BONDS

OFFSHORE AND OVERSEAS FUNDS

FT SHARE INFORMATION SERVICE

**BRITISH FUNDS

1976 High	Low	Stock	£	+ or −	Yield Int.	Red.
		"Shorts" (Lives up to Five Years)				
99 13/32	92 1/16	Treasury 6½pc 1976‡‡	99 5/16	.....	6.56	9.93
98⅝	98⅜	Victory 4pc 1976‡‡	98⅝	.....	4.04	—
101 13/32	99 3/16	Treasury 10½pc 1976‡‡	100⅜xd	+⅛	10.46	9.91
98 3/32	95 3/32	Treasury 6¼pc 1977‡‡	97 5/16	.....	6.43	9.80
97¼	94½	Electric 3pc 74-77	95¾	.....	3.13	8.29
103 7/32	92 9/32	Treasury 11½pc '77‡‡	101⅝	.....	11.32	10.13
94¼	91⅞	Treasury 3pc '77‡‡	94¼xd		3.18	7.06
94 9/16	92¼	Transport 4pc 72-77	94⅛	+⅛	4.25	7.94
£99 3/16	90½	Treasury 9pc 1978‡‡	£97¼	+1/16	9.21	10.33
101½	98 1/16	Treasury 10½pc '78‡‡	100⅛	−⅛	10.49	10.41
93⅛	89⅝	Exchequer 5pc '76-78‡‡	92⅜	+⅝	5.41	8.58
103 7/32	100¼	Treasury 11½pc '79‡‡	101 11/16	+⅛	11.29	10.71
88⅛	83⅝	Treasury 3pc '79‡‡	87⅞	+⅛	3.41	7.11
89⅛	73⅞	Electric 4¼pc '74-79	88⅞	−⅛	4.78	8.06
100 3/32	96 1/16	Treasury 10½pc '79‡‡	98 13/32	−⅛	10.63	10.90
88⅛	83⅝	Electric 3½pc '76-79	87¾xd	+⅛	3.99	7.52
96 31/32	91	Treasury 9pc 1980‡‡	94 7/16	+⅛	9.53	10.80
96½	92 1/16	Treasury 9½pc '80‡‡	95¼xd	+⅛	9.97	11.00
86	82¼	Treasury 3½pc '77-80	84 13/16xd	+1/16	4.13	7.92
88¼	71	Funding 5¼pc '78-80‡‡	88⅛xd	+⅛	5.96	8.77
103 3/16	98	Treasury 11½pc 1981	101 13/32	+3/32	11.33	11.05
86	80¼	Treasury 3½pc 1979-81	81⅝	−⅛	4.29	8.23
95⅝	92	Treasury 9¾pc 1981‡‡●	95¼	.....	10.23	11.02
		Five to Fifteen Years				
93½	86⅛	Treasury 8½pc '80-82‡‡	93½	.....	9.36	10.69
107¼	99½	Treasury 12pc 1983‡‡	103½	.....	11.80	11.62
80⅝	73¼	Funding 5½pc '82-84‡‡	80⅝	.....	6.97	9.42
87⅛	79⅜	Treasury 8½pc '84-86‡‡	87⅛	.....	10.08	11.11
74⅞	68⅝	Funding 6½pc '85-87‡‡	71¼	.....	9.14	11.13
77¼	71	Treasury 7¾pc '85-88‡‡	77¼	.....	10.33	11.71
51¼	45⅝	Transport 3pc '78-88	50⅛	.....	6.12	10.53
59¾	53⅛	Treasury 5pc '86-89	56⅛	.....	8.96	11.56
103½	96	Treasury 13pc 1990‡‡	103½	.....	13.09	13.08
75⅞	68¾	Treasury 8¼pc '87-90‡‡	71½xd	.....	11.41	12.48
60	53⅛	Funding 5¾pc '87-91‡‡	56½	.....	10.28	12.25
		Over Fifteen Years				
99⅛	87⅝	Treasury 12¾pc '92‡‡	99⅝	.....	13.34	13.42
97⅛	85¼	Treasury 12½pc '93‡‡	97⅜	.....	13.39	13.49
96⅝	91½	Treas. 12½pc '93 'A' ‡‡	96½	.....	13.37	13.47
58	50⅝	Funding 6pc 1993‡‡	54⅜	.....	11.23	12.69
75⅜	66⅛	Treasury 9pc '94‡‡	70⅝xd	.....	12.71	13.27
36½	32⅛	Gas 3pc '90-95	33⅞	.....	8.88	11.83
100	87⅞	Treasury 12¾pc '95‡‡	94⅜xd	.....	13.49	13.55
75⅞	66⅛	Treasury 9pc '92-96‡‡	71	.....	12.93	13.40
35½	31	Redemption 3pc 1986-96	33½	.....	9.04	11.63
101⅜	88	Treasury 13¼pc '97‡‡	101⅛	.....	13.60	13.61
103	89¼	Do. 13¼pc '97 'A' ‡‡	103	.....	13.63	13.62
69⅞	64⅛	Treasury 8¾pc 1997‡‡	68⅞	.....	13.02	13.44
57⅝	50⅛	Treasury 6¾pc '95-98‡‡	53⅞	.....	12.57	13.29
75	65½	Treasury 9½pc 1999‡‡	75	.....	13.20	13.47
31½	27¼	Funding 3½pc '99-04	30¼	.....	11.81	12.76
65	56¼	Treasury 8pc '02-06‡‡	60¾	.....	13.34	13.50
46⅛	39⅝	Treasury 5½pc '08-12‡‡	42⅜	.....	13.15	13.30
60¼	52¾	Treasury 7¾pc '12-15‡‡	59¾	.....	13.48	13.52
		Undated				
29⅞	26⅛	Consols 4pc	29¾	.....	13.56	—
27⅞	24⅛	War Loan 3½pc‡‡	26⅛xd	.....	13.29	—
28⅞	25¼	Conv. 3½pc '61 Aft.	27¼	.....	13.02	—
23¼	20⅝	Treasury 3pc '66 Aft.	21¾	.....	13.98	—
19⅝	17	Consols 2½pc	18⅝	.....	13.60	—
19½	16⅞	Treasury 2½pc	18⅛	.....	14.01	—

**INTERNATIONAL BANK

1976 High	Low	Stock	£	+ or −	Yield Int.	Red.
99¾	98¼	5pc Stock 1976	99½	−⅛	5.04	9.74
72½	68½	5pc Stock '77-82	72¼	.....	8.03	9.23

**CORPORATION LOANS

[illegible]

COMMONWEALTH & AFRICAN LOANS

[illegible]

LOANS (Miscel.)

[illegible]

FOREIGN BONDS & RAILS

[illegible]

U.S. $ DM Prices exclude inv. $ premium

AMERICANS

[illegible]

S.E. List Premium 56¾% based on $1.8300 per £

Conversion factor 0.6396 (0.6384)

CANADIANS

[illegible]

S.E. List Premium 56¾% (based on $1.7928 per £)

††BANKS AND HIRE PURCHASE

[illegible]

Hire Purchase, etc.

[illegible]

BEERS, WINES AND SPIRITS

[illegible]

BUILDING INDUSTRY, TIMBER & ROADS

[illegible]

BUILDING INDUSTRY—Continued

[illegible]

CHEMICALS, PLASTICS

[illegible]

CINEMAS, THEATRES AND TV

[illegible]

DRAPERY AND STORES

[illegible]

DRAPERY AND STORES—Continued

[illegible]

ELECTRICAL AND RADIO

[illegible]

ENGINEERING, MACHINE TOOLS

[illegible]

ENGINEERING—Continued

[illegible]

FOOD, GROCERIES, ETC.

[illegible]

HOTELS AND CATERERS

[illegible]

HOTELS—Continued

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

INDUSTRIALS—Continued

INSURANCE

PROPERTY—Continued

TRUSTS—Continued

TRUSTS—Continued

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING, ADVERTISING

PROPERTY

SHIPBUILDERS, REPAIRERS

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

Finance, Land, etc.

OILS

OVERSEAS TRADERS

RUBBERS AND SISALS

TEAS

India and Bangladesh

Sri Lanka

Africa

MINES

CENTRAL RAND

EASTERN RAND

MINES—Continued

FAR WEST RAND

1976 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
710	350	Blyvoor 25	550	+25	Q100c	1.3	[illegible]
£14	785	Buffels R1	£10¼	+¼	Q180c	1.4	9.9
198	95	Deelkraal R0.20	143	+8	—	—	—
760	330	Doornfontein R1	415	+20	Q110c	1.4	[illegible]
965	640	East Drie R1	855	+20	Q75c	1.7	5.2
280	160	Elandsrand Gld Mng 20c	205	.....	—	—	—
190	115	Elsburg R1	145	+3	Q33.9c	1.0	13.8
£16½	£11¼	Hartebeest R1	£15½	+¼	Q215c	1.4	8.2
675	430	Kloof Gold R1	560	+10	Q65c	1.4	5.8
760	400	Libanon R1	490	+15	Q110c	1.9	[illegible]
740	335	Southvaal 50c	595	+55	Q8c	1.3	9.8
245	140	Stilfontein 50c	220	+10	Q36c	2.2	7.0
£20½	£10¼	Vaal Reefs 50c	£16¼	+¼	Q175c	2.1	6.4
420	190	Venterspost R1	220	+5	Q70c	1.9	[illegible]
£35	£19¾	W. Drie R1	£25¼	+¼	Q485c	1.2	[illegible]
315	165	W'rn Areas R1	235	+5	Q52c	1.4	13.1
£15¼	10½	Western Deep R2	10½	.....	Q167½c	1.6	0.0
290	190	Zandpan R1	255	+5	Q35½c	1.0	8.3

O.F.S.

1976 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
170	75	Fr. State Dev. 50c	130	.....	Q14c	1.6	6.4
£27½	£12	F.S. Geduld 50c	£16	+¼	Q130c	1.3	[illegible]

FINANCE

DIAMOND AND PLATINUM

CENTRAL AFRICAN

AUSTRALIAN

TINS

COPPER

MISCELLANEOUS

1976 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
10	8	Burma Mines 17½p	9		0.1	♦	1.8
39½	23	Charterhall 5p	29	+1½	—	—	—
965	580	Cons. Murch 10c	920		Q80c	1.8	5.2
50	28	Laurasia	39½	−1½	—	—	—
455	245	Northgate C$1	390	+10	Q25c	0.3	3.4
239	178	R.T.Z.	232xd	−1	5.42	2.1	3.6
112	85	Sabina Inds. C$1	90	+1	—	—	—
£13¼	£10	Tara Exptn. $1	£13¼	+⅛	—	—	—
132	88	Yukon Cons. C$1	132	..	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures, they are adjusted to ACT of 35 per cent. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields, assuming maintenance of net dividends on current rate of ACT, are based on middle prices, are gross and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- Δ Sterling denominated securities which include investment dollar premium.
- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents
- φ Figures or report awaited
- †† Banks and Insurance: reserve allocations may preclude calculation of dividend cover
- # Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ** Free of Stamp Duty
- ♦ Merger bid or reorganisation in progress.
- ♦ Not comparable
- ♦ Same interim: reduced final and/or reduced earnings indicated.
- § Based on 1973 profits
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend
- ☆ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ✦ Regional price.
- II No par value

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. r Australian currency. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend, cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment. Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Issue price. G Assumed dividend and yield after pending scrip and/or rights issue. K Figures based on prospectus or other official estimates for 1976-77. M Figures based on prospectus or other official estimates for 1976. N Dividend and yield based on prospectus or other official estimates for 1976. Q Gross. T Figures assumed. ‡ No significant Corporation Tax payable. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

"Recent Issues" and "Rights" Page 22

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £325 per annum for each security

FINANCIAL TIMES
Tuesday May 11 1976

Volkswagen first-quarter profit £28m.

BY ADRIAN DICKS

BONN, May 10.

VOLKSWAGEN, riding the strong recovery of the West German car market, revealed to-day that it made a DM134m. (£28m.) profit in the first quarter of this year, compared with a loss of DM311m. in the same period of 1975.

Stating that the foundations for "a durable consolidation" of the group had been laid, the chairman, Herr Toni Schmuecker, announced that VW's DM807m. loss in 1974 had been reduced to DM157m. in the year 1975 as a whole.

Coming just over a year after Herr Schmuecker was brought into VW to carry out a far-reaching programme of rationalisation, the 1975 figures provide the company with a markedly stronger base from which to launch the U.S. assembly plant operation which its management believes the key to its future. Herr Schmuecker offered no forecast of this year's revenue picture, but predicted that VW would succeed in further reducing the DM693m. of losses carried forward.

The VW chairman confirmed that the U.S. plant would require a total investment of DM600m., including some DM200m. in starting-up costs. VW would put up DM125m. of its own as equity capital, with the remainder provided through a combination of European and American borrowing. He left open the precise form in which the money would be raised, but mentioned the possibility of both public and private bond placements in the U.S. in the longer term. VW would hope to issue shares in its U.S. operation to the public.

Herr Schmuecker strongly emphasised his belief that the U.S. assembly plant for the Rabbit (Golf) which is planned to produce up to 200,000 units a year by 1983, employing up to 5,500 workers, would give VW an essential flexibility and an important foothold in the U.S. small car market. Its 42.4 per cent sales loss in the first four months of this year in the U.S., to 81,100 units, had been due to a severe price disadvantage. Nonetheless, sales of some 10,000 Rabbits a month during March and April encouraged the company to believe the car would be well placed to increase its market share.

VW has not yet decided where to site its assembly plant. Three towns, of which Cleveland, Ohio, is believed to be the strongest contender, are on a short list.

Herr Schmuecker insisted that the U.S. operation would have little net effect on VW employment in Germany. But he also warned that even with a likely rise in production this year of 4 per cent. over last year's world figure of 2.1m. vehicles, the company would not be able to re-hire all the 18,500 workers shed by his economy programme last year.

For in spite of the strong domestic picture, with sales up 19 per cent. to 250,500 vehicles in the first quarter, Herr Schmuecker expressed "definite reserve" over the general export picture this year.

"In the main European countries to which the VW group exports vehicles, the economic situation is, to say the least, unsettled. . . . It is possible that a further decline in the economic situation in some of our European partner-countries could encourage the latent tendency to seek the solution in a very restrictive economic policy or even in protectionist measures."

He welcome the suspension of the U.S. Treasury's anti-dumping investigation as a very positive sign for VW's sales there.

EEC plans tighter state aid rules

BY DAVID CURRY

BRUSSELS, May 10.

THE EUROPEAN COMMISSION is in the process of drawing up directives which would compel Governments to be more open in their financevial dealings with State-owned enterprises.

Under these proposals, which are bound to prove highly controversial, the Commission wants to tighten rules which lay down how far State enterprises must observe Common Market anti-trust laws. It also wishes to control the amount of State aid afforded to lame-duck industries "that have failed to adapt to circumstances."

The move, which coincides with the Commission's fifth report on competition policy, is also designed to test the Brussels executive's strength as a European institution and must be approved by the member States in the Council.

The Commission argues that while it is reasonably satisfied that it can rule fairly clearly on initial measures of public investment in enterprises, once a company goes into the State sector it becomes increasingly difficult to monitor the way that it conducts its business and its relationship with the State so as *to make sure that the rules of* competition are being observed.

This concern has been heightened by what the Commission, in its report refers to as "the growing tendency of member States to intervene in their economies through the agency of public enterprises."

The move comes after a period when State aids have proliferated in the cause of combating recession and saving jobs. Some members of the competition department feel strongly that the State aids doctrine must either be reasserted positively or abandoned.

Their concern was crystallised by the Commission agreeing to the British Government's Chrysler rescue against a strong body of competition department opinion which argued that unlike the Leyland rescue, which involved important managerial changes, the Chrysler deal contained no real element of industrial rationalisation.

State aid in the form of loans or an equity stake was mainly provided in the cases of companies which would not be able to survive without it, might require aid over a long period and would not be bound by commercial notions of profitability, the commission says bluntly.

Such protracted aid could quite easily run counter to Treaty of Rome rules on competition. These endorse State aids as part and parcel of industrial restructuring to improve the competitive situation of an industry but they draw the line sternly at the distortion of competition through subsidy.

The State aid detrine is a political minefield because it gives Brussels the power to veto *measures* which a national government may consider industrially and politically urgent. It is particularly delicate since the Treaty of Rome (Article 90) gives the Commission power to lay down directives without requiring the consent of the Council of Ministers.

The decision to draw up directives in this field means that the Commission has clearly decided to test its strength, in the application of Article 90, in an area which up to now has remained largely ill-defined and imprecise.

Mr. Gordon Borrie . . . favouring a voluntary approach

New head of Fair Trading

By Elinor Goodman, Consumer Affairs Correspondent

MR. GORDON BORRIE, Dean of the Faculty of Law at the University of Birmingham, has been appointed to succeed *Mr.* John Methven as Director General of Fair Trading.

Mr. Borrie will be in charge of monopolies and mergers, restrictive practices and consumer credit as well as the broader field of consumer protection. He will report to Mrs. Shirley Williams, Secretary for Prices and Consumer Protection, but will also have the power to make references to the Monopolies Commission on his own initiative.

Unlike Mr. Methven, who is to take over as Director General of the Confederation of British Industry, Mr. Borrie, 45, has never worked in industry. But he has written a number of books on commercial law and served on several bodies in the field of consumer protection.

Mr. Borrie, who was selected *from over 200 applicants*, has been working at the University of Birmingham since 1965. Before that he was practising as a barrister in London having been called to the bar, Middle Temple, in 1952. He has already worked in conjunction with the Office of Fair Trading as a member of the Consumer Protection Advisory Committee—the body set up to review proposals for changes in the law put forward by the Director General of Fair Trad*ing*.

Until recently Mr. Borrie, who will be paid £16,580 as Director General, was also a member of the Council of the Consumers' Association. He is also a part-time member of the Equal Opportunities Commission though he will now give up this appointment together with his membership of the

The scope of the Office of Fair Trading has been increased since it was set up in 1973 with Mr. John Methven as *its first Director-General.* Mr. Borrie's appointment comes at a time when the Office is extending its control of both restrictive practices and consumer credit. Restrictive practices in the service industries are going through the first stage of the registration process while applications for the first group of consumer credit licences are now being lodged.

Mr. Borrie said yesterday that like Mr. Methven he favoured a voluntary approach to improving the standard of consumer practices wherever possible. He would continue to seek voluntary agreements with trade associations as part of the Office's attempts to improve the standard of consumer service in this country. "I am following in the footsteps of a man who had excellent relationships with both industry and consumers and I hope to build on these relationships wherever possible."

Men and Matters, Page 16

Equity Bank plan opposed by Sun Life

BY MARGARET REID

NEW OPPOSITION to the project for the £50m. "equity bank," Equity Capital for Industry, details of which are to be published on Thursday, has come from a major insurance group, Sun Life Assurance.

Mr. P. G. Walker, the group's chairman, says in his annual report: "We are convinced that the existing machinery for capital raising provided by the City is adequate, and we see no reason for the setting up of any new organisation for the purpose of filling a supposed gap. Accordingly, we do not propose to contribute to the Equity Investment Bank."

Mr. Walker's opposition to the controversial Equity Capital scheme, which has been in preparation for many months, is particularly emphatic. It follows previous indications of widespread doubts, and sometimes qualified opposition, from other institutions, notably certain Scottish insurance concerns.

The prospectus for Equity Capital, which is to channel capital to companies unable to raise it on the stock market, is likely to show that the project will go ahead if £30m. of its proposed £50m. capital is put up. This would have to be in appropriate proportions from the different institutional sectors, including insurance companies, pension funds, investment and unit trusts.

Institutions will have until June 21 to decide finally whether they want to participate. In the City, it is now thought certain that support will be sufficient to launch the venture.

Coopers and Lybrand, the major City accounting firm, whose former senior partner was Sir Henry Benson, will be auditors of Equity Capital for Industry, a spokesman for the firm has confirmed.

News agency vote on Telegraph strike

BY ALAN PIKE, LABOUR STAFF

JOURNALISTS working at Press Association, the news agency, will ballot to-morrow on whether to take industrial action in support of colleagues on strike at the *Daily Telegraph*.

The decision to hold the ballot was taken by the National Union of Journalists' chapel committee at Press Association yesterday. Earlier NUJ national officials met Press Association management and appealed without success for the news agency's teleprinter service to the Telegraph to be cut off.

News agency teleprinter tape is transmitted on Post Office lines, and it has been claimed in previous disputes that Press *Association cannot disconnect* one subscriber in isolation.

Officials of the 240-strong Press Association Chapel said last night that it would be for their members to decide what form the sympathetic action should take if the ballot went in favour of supporting the Telegraph NUJ members.

Vote to stay out

A decision to take sympathetic strike action, hoped for by the Telegraph Chapel, would disrupt the Press Association service to subscribers throughout Fleet Street and the Provinces.

Members of the Telegraph London chapel voted 117 to 7 yesterday to remain on strike in support of their Manchester colleagues. The dispute arose when 46 Manchester journalists "withdrew *goodwill*" and were suspended after refusing to work new duty rotas due this week.

They say the new rotas impose an extra workload and result from a recent reduction in staff as the Telegraph prepares for facsimile transmission of pages from London to Manchester. Concern about the likely consequences of new technology on employment prospects underlies the immediate cause of the dispute.

The Daily Telegraph management has stated that while it understands there is a "great fear" among journalists that the company is seeking to pull out of Manchester, this is not the case.

NUJ officials are anxious to stress the broad implications of the issue in the hope of winning support of other unions in the Daily Telegraph dispute, which has been made official. Last night members of other unions there were continuing to work normally.

Fathers of other Fleet Street chapels meet this morning to discuss the Daily Telegraph situation.

U.S. rubber company 'no contest' on deals

BY DAVID BELL

WASHINGTON, May 10.

GENERAL TIRE, one of the largest U.S. rubber manufacturers, said to-day it would not contest a wide range of allegations by the Securities and Exchange Commission, including one that the company paid $150,000 to buy itself off the Arab boycott list.

The Commission also claimed the company made several million dollars in illegal payments to officials and consutants in Chile, Morocco and Mexico; falsified its books and corporate records: and paid several million dollars in illegal domestic politica contributions.

General Tire, in pleading, "no contest," neither admitted nor denied the commission's allegations, but agreed to acept a district court injunction setting up a special committee, headed by five non-executive directors, to investigate and report on use of secret corporate funds for illegal payments.

According to the commission's formal complaint General Tire began a concerted effort to get itself off the Arab boycott list in 1970, and retained a company called Perco as advisers. Perco, a subsidiary of Triad Financial Establishments, was linked to Mr. Adnan Kashoggi, the well-known Saudi Arabian entrepeneur. The Securities and Exchange Commission said the company paid Perco $50,000 initially, and a further $100,000 after the company's name was removed from the boycott list in *1972.*

The Commission further alleged that General Tire maintained special numbered accounts, often funded by the proceeds from overbilling certain of the company's affiliates. These accounts, and offshore bank accounts maintained in London and New York, were used to help make "substantial illegal and improper payments totalling in excess of several million dollars of General Tire corporate funds." The company was alleged to have filed "materially false and misleading annual statements."

The Commission said it used its special accounts to pay various sums to consultants and officials in Chile, and to establish a "slush" fund in Mexico. The company also agreed to pay $500,000 to a Moroccan official to help the company obtain a Government licence to expand its plant. This official was later imprisoned by the Moraccon Government for accepting money from foreign companies.

Continued from Page 1

£ hits inflation timetable

measures the average of prices recorded in April, and since the major decline in sterling occurred early in the month, more than half the effect is reflected in the April figure. *However, a further rise of about* two percentage points appears likely in May, and some hardening of dollar commodity prices will also have its effect.

Rises in materials prices normally appear at the wholesale level during the six months after they occur, and somewhat later in retail prices.

Longer term comparisons show that the rate of increase in wholesale prices is still slowing down. Output prices rose 3¼ per cent. in the three months to April, compared with just under 4 per cent. in the previous three months, and 6 per cent. in the same three months in 1975.

However, the slowing of progress is shown by the fact that while the index stands 15.7 per cent. up on the year, the rate of increase in the last six months—at a 14.9 per cent. annual rate—has been nearly as high. While some further reduction in the rate can be assumed, since the 1975 Budget helped to raise the index by 6 per cent. in the second quarter of that year (far more than seems likely this year), the figures do suggest that the improvement is running out of steam. The rise in import prices is likely to bring it to a stop for a time: though the fact that sterling now stands rather below the level officially forecast for the year end should mean relative stability in the rate in the second half of this year, with little remaining inflationary pressure from the rate to the turn of the year.

	February	March†	April†
Output Prices (Home Sales)		1970=100	
All manufactured products	207.3	208.5	211.2
Products of manufacturing industry other than food, drink and tobacco industries	215.0	216.4	219.0
Products of the food manufacturing industries	215.3	216.6	218.7
Prices of materials and fuel purchased			
By manufacturing industry	263.5	273.7	284.7
materials	269.4	279.8	290.4
coal, gas and electricity	207.5	215.8	230.4
By manufacturing industry other than food, drink and tobacco industries	276.8	290.0	304.5
materials	286.7	300.6	315.1
By food manufacturing industries	235.2	238.6	241.3
materials	235.5	238.7	241.1

† Provisional

Continued from Page 1

Thorpe

vinced for some time that he could not continue to carry the burdens of leadership while involved in his personal private battle."

Mr. Steel who is known to have urged Mr. Thorpe to resign two months ago, said that his "selfless decision to stand down now in the interests of the party is characteristic."

Paying tribute to Mr. Thorpe's leadership, he told him: "We all look forward to the time when, freed of your present troubles, you return to a key rôle in the public life of the country."

Mr. Thorpe will continue as MP for North Devon and will attend party engagements in the constituency this week-end, having been assured yesterday by local Liberal officials of their full support.

Backing for him also came last night from Mr. Wally Dewsnip, chairman of the Liberal Trade Unionists, who said that his resignation was "very disappointing."

Although the National League of Young Liberals welcomed Mr. Thorpe's move, Mr. Stephen Rodan, chairman of the movement in Scotland, said Mr. Thorpe had been "hounded mercilessly, not least by his so-called friends.

"The behaviour of his fellow-MPs and colleagues has been absolutely despicable in their mad scramble for the leadership."

Mrs. Margaret Thatcher, Tory leader, said last night that Mr. Thorpe had devoted "his whole-hearted efforts to his party's cause" during his nine years as leader. "Despite our political differences, I am sorry that his leadership should have ended in this way."

THE LEX COLUMN

GEC sells and Plessey buys

Trading between 40p and 55p for much of last year, the share price of International Computers has rocketed since the last results statement indicated good prospects and the early resumption of a normal dividend policy. This has turned out to provide the selling opportunity GEC has long been waiting for—it originally tried to dispose of its ICH stake to Plessey at the time of its takeover of English Electric. GEC started selling in the market at around 130p in January. The deal with Plessey and the National Enterprise Board now gives it 150p a share, the year's peak and just above the current market price of 148p.

In fact Plessey's additional commitment is not large—it is buying under a quarter of the GEC stake. Yet the reason for putting in new money at all is unclear. An extra 4 per cent. does not count for much one way or the other. Plessey admits that its original hopes of technological "convergence" were premature, and simply asserts that for some undisclosed reason this will now change (a view which GEC plainly does not share).

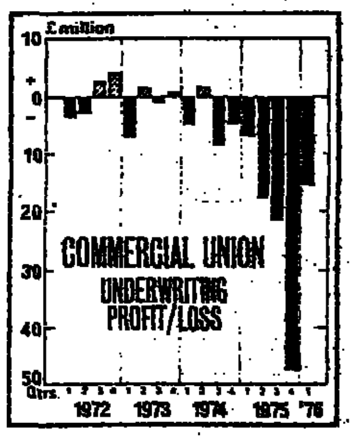
Perhaps the best way of summing the deal up is that it symbolises the different management styles of GEC and Plessey. As for the NEB, it simply looks as if it has been unable to turn down the offer of a large interest in a successful high-technology company to balance some of its problem children. But ICH is unlikely to be pleased. And it is a pity that a large purchase "on behalf of the taxpayer" is not accompanied by any indication of how the arrangement might help ICH, or how Plessey and the NEB are going to work together in the future.

The price of the deal is high in terms of recent history, but net worth is over 200p a share, the market appears to be expecting earnings of around 27½p a share for the current year, and it would seem realistic to expect a dividend large enough to take the yield up to the market average.

Commercial Union

For once, there are no surprises from Commercial Union, since its first quarter figures are in line with the expectations that led to the payment of a maintained dividend out of reserves in 1975. Its troubles did not really start until the second

Index rose 0.3 to 415.5



quarter of 1975, so the year-on-year comparison is unflattering—profits of £6.9m. against £11.8m. But underwriting losses of £15.4m. are well below the figures for each of the three previous quarters, as indeed they had to be.

Most of these arose in the U.S., where motor rates in the North East are still inadequate. However the liability lines are not such a disaster area, and only £1m. of the £15m. provision against the agency cancellation programme has been drawn down so far: the rest will come in over the next twelve months or so. U.K. profits are falling. Australia is likely to make another pre-tax loss this year, and investment income growth has slowed down noticeably with a net rise of 16 per cent. so far. But that need not prevent profits recovering to somewhere around £50m. pre-tax.

The constraint for the shares, yielding 8 per cent. at 132p, remains in the *balance sheet*. For technical reasons a rise of a third in premium income after three monthse exaggerates the trend, but the solvency margin is well below average at around 27 per cent., and retentions in the current upswing seem unlikely to be enough by themselves to restore the balance.

European Ferries

At £8.37m. pre-tax the profits of European Ferries come out very close to the most recent forecast of £6.3m. given in the offer document for Felixstowe Dock. The improvement from the £4.25m. of 1974 is explained in equal measure by the growth in shipping earnings and the elimination of excep losses, mostly in aviation picture is slightly conf the increase — under ordinary items — in losses on foreign currency from £0.96m. to £1.91m. plainly the recent fal tenth in sterling will ha something very nasty £53m. of foreign debt ou ing on January 31. Fortu ships count as dollar ass if EF does not treat such in its balance-sheet.

Sun Life/Artagen

Sun Life's offer for A is developing into a fashioned bid battle, an is a nostalgic touch of in the formal offer do Surprisingly, perhaps, th is pressing ahead wi original terms, and a la of its argument seems that the "spirit" of it ing agreement with Ar not being followed. It its cheap long term fina intended to encourage development in the U. instead large chunks hav used for the purchase pleted properties, develo undertaken by third and for short term depo

This may or may not (Artagen hotly denies either way such an acc may leave as much mud ing on the provider finance as on its recipien Artagen shareholders, th interest lies in the way reflects the value which attaches to the agreemen will need to be demonstra more tangible form, in shape of a higher bid.

Volkswagen

Volkswagen has been m progressively more optim noises about its trading perf ance for some months now the news that losses in 1 dropped from DM807m. DM157m.—and that the figures stopped last August little stock market impact DM143.50, the shares stan roughly twice the low reached early last year. hope now might be for a towards 1973's earnings estimated by brokers Vick Costa at an adjusted DM share. But for the intern investor, the question is w VW will want to turn equity market, now that th ing climate is improving.

Weather

U.K. TO-DAY

MAINLY dry with *sunny* periods apart from a little early rain in South-East England. Scotland and N. Ireland will start bright with rain spreading from the West later.

London, S.E. England, E. Anglia

Some light rain early clearing to give sunny periods. Winds N.W. moderate. Max. 17C (63F).

Southern and S.W. England, North England, the Midlands, Channel Is., S. Wales

Dry with sunny periods. Winds N.W. moderate. Max. 16C (61F).

N. Wales, N.W. and N.E. England Lakes, Isle of Man

Dry sunny spells and westerly moderate winds. Max. 14C (57F).

Borders, East Scotland

Sunny at first but rain later. Winds westerly, moderate. Max. 13C (55F).

N.W. Scotland, Highlands, Orkney, Shetland, N. Ireland

Bright at first, becoming cloudy with rain spreading from West. Winds S.W. moderate. Max. 12C (54F).

Outlook: Mainly dry with sunny spells in the South, unsettled in the North.

Lighting-up: London 21.08, Manchester 21.26, Glasgow 21.44, Belfast 21.46.

BUSINESS CENTRES

		Y'day Midday °C	°F			Y'day Midday °C	°F
Amsterdm.	S	24	75	Madrid	C	16	61
Athens	F	24	75	Manchstr.	C	14	57
Barcelona	F	18	64	Melbourne	C	13	55
Beirut	F	23	73	Milan	F	20	68
Belfast	F	12	54	Mexico C.	S	21	70
Belgrade	S	23	73	Montreal	S	15	59
Berlin	S	26	79	Moscow	S	14	57
Birmghm.	C	16	61	Munich	S	22	72
Bristol	F	17	63	Newcastle	C	14	57
Brussels	S	24	75	New York	S	21	70
Budapest	S	23	73	Oslo	S	19	66
B. Aires	S	17	63	Paris	F	23	73
Cairo	S	32	90	Perth	R	20	68
Cardiff	S	16	61	Prague	S	26	79
Cologne	S	28	82	Reykjavik	F	4	39
Copenhgn.	S	19	66	Rio de J'o	C	27	81
Dublin	F	13	55	Rome	F	20	68
Edinb'gh	S	13	55	Singapore	S	31	88
Frankfurt	S	27	81	Stockholm	S	21	70
Geneva	S	22	72	Sydney	C	18	64
Glasgow	F	12	54	Tehran	S	26	79
Helsinki	S	18	64	Tel Aviv	S	22	72
H. Kong	C	24	75	Tokyo	C	21	70
Jo'burg	C	20	68	Toronto	S	16	61
Lisbon	C	13	55	Vienna	S	23	73
London	F	19	66	Warsaw	S	20	68
Luxemb'g	S	24	75	Zurich	S	20	68

HOLIDAY RESORTS

Algiers	F	23	73	Majorca	F	19	66
Biarritz	R	11	52	Malaga	F	21	70
Blackpool	F	12	54	Malta	S	23	73
Bordeaux	R	16	61	Nairobi	C	21	70
Cape Tn.	S	22	72	Naples	R	17	63
Florence	C	18	64	Nassau	S	28	82
Gibraltar	F	19	66	Nice	S	14	57
Guernsey	S	13	55	Nicosia	F	24	75
Innsbruck	S	25	77	Rhodes	C	24	75
Inverness	F	14	57	Tangier	C	19	66
I. of Man	S	12	54	Tenerife	F	15	59
Istanbul	R	16	61	Tunis	F	24	75
Jersey	S	15	59	Valencia	F	22	72
Luxor	S	37	99	Venice	F	18	65

S—Sunny. F—Fair. C—Cloudy. R—Rain.

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